

***United States Court of Appeals
for the Second Circuit***



APPENDIX

No. 74-2413

To be argued by WALTER D. AMES

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

MOORE BUSINESS FORMS, INC.,

Plaintiff-Appellant,

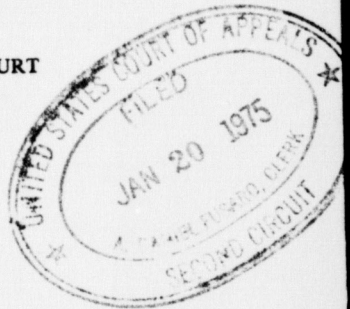
v.

MINNESOTA MINING AND MANUFACTURING COMPANY,

Defendant-Appellee.

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK
(Honorable John T. Curtin, District Judge)

JOINT APPENDIX



PAGINATION AS IN ORIGINAL COPY

(i)

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CIVIL DOCKET
UNITED STATES DISTRICT COURT

Civ.-1972-47 Moore Business Forms v. Minnesota
Mining and Manufacturing Company

DATE

1972

Jan. 25 Filed Complaint
Jan. 25 Issued summons & copy
Jan. 25 Report sent to Commissioner of Patents, Wash.,
D.C.
Mar. 23 Filed Deft's. Answer
Mar. 29 Filed Deft's. Interrogatories to Pltf.
Apr. 3 Filed Deft's. Request for Production of Docu-
ments
Apr. 20 Filed Pltf's. Interrogatories and Request for
Inspection & Copying
June 16 Filed Pltf's. Answers to Deft's. Interrogatories
Nos. 1 through 59
July 17 Filed Pltf's. Supplemental Answer to Deft's.
Interrogatory No. 47 to Pltf.

1973

Jan. 21 Filed Deft's. Answers to Pltf's. Interrogatories
Jan. 21 Filed Deft's. Objections to certain of Pltf's.
Interrogatories
Mar. 5 Filed Deft's. Notice of taking deposition on
4/3/73; Second Set of Interrogatories to Pltf.
and Request for production of Documents and
Things on 4/2/73
May 2 Filed Pltf's. Answers to Deft's. Second Set of
Interrogatories to Pltf.
June 1 Filed Pltf's. Notice of Taking Deposition on
6/6/73

- June 20 Filed Pltf's. Corrected Answer to Deft's. Interr. # 66
- June 20 Filed Pltf's. Interrogatories Nos. 39-48 to Deft.
- June 20 Filed Pltf's. Second Request for Inspection & copying of documents
- June 25 Filed Pltf's. Notice of Motion & Motion for hearing to free Certain documents from stip. of non-disclose & Pltf's. Motion for order compelling Ans. to Interrogatories ret. 7/5/73
- July 5 Filed Partial transcript re depositions of Donald M. Sell, Waldo G. Bretson & Dean A. Ostlie taken 6/6/73
- July 5 Filed Notice of Motion and Motion to Compel Answers on Depositions ret. 7/12/73
- July 6 Filed Deft's. Motion for Stay of Discovery ret. 7/12/73
- July 6 Filed Deft's. Motion for Summary Judgment of Dismissal ret. 7/12/73
- July 10 Filed Pltf's. Opposition to Deft's. Motion for Stay of Discovery
- July 12 Motion by deft. for summary judgment, etc. Adj. 8/2/73
- July 19 Filed Deft's. Responses to pltf's interrogatories Nos. 39-48
- July 19 Filed Deft's. Objections to certain of pltf's. interrogatories
- July 30 Filed Pltf's. Amended Ans. to Deft's. Interrogatories 2,3,4 & 5
- July 31 Filed Pltf's. Motion to compel answers to interrogatories Nos. 39-48 & compliance w/2nd req. etc. ret. 8/2/73
- Aug. 1 Filed Transcript of Depositions of Donald M. Sell, Waldo G. Bretson & Dr. Dean A. Ostlie taken 6/6-8/73

- Aug. 2 Motions by Deft. for stay of discovery and for summary judgment. Court directs Deft. to file briefs in opposition to Pltfs. motion is [sic] four weeks.
- Aug. 15 Filed Pltfs. interrogatories nos. 49 to 54 and Pltf. 3rd request for inspection & copying
- Aug. 21 Filed Pltfs. interrogatories nos. 55 to 59 to Deft.
- Sept. 21 Filed Defts. objections to interrogatories Nos. 55-59 of Pltf. to Deft.
- Sept. 21 Filed Defts. objections to interrogatories Nos. 49-54 of Pltf. to Deft.
- Sept. 24 Filed Defts. Addendum to Deft. answer to Pltfs. interrogatories Nos. 1-38.
- Oct. 9 Filed Pltf. notice of motions to compel ans. to interrogatories 49 to 59 & compliance with 3rd request for production ret. 10-18-73. adj. 11-15-73 Decision reserved.

1974

- Feb. 26 Filed Pltfs. notice of motion & motion to dismiss pending motion for summary judgment ret. 3-11-74.
- Feb. 26 Filed deposition transcripts of Robert H. Allen taken 4-3-73; Irwin Albert Bailey, Chien J. Yeh, Robert Hunter Downie all taken 4-4-73; Richard J. O'Brien Taken 4-5-73; Norman Macauley taken 4-25 & 26-73.
- Mar. 11 Oral argument of Pltfs. motion to dismiss defts. motion for summary judgement. Ct. instructed Pltf. to file any further affidavits by 3-25-74 & deft. to reply by 4-1-74 & further oral argument be on 4-8-74
- Mar. 20 Filed Pltfs. interrogatories Nos. 60 & 61 to Deft.

- Mar. 20 Filed Pltfs. notice to take deposition of James C. Custer on 3-19-74
- Mar. 22 Filed deposition of James Custer taken on 3-19-74.
- Mar. 25 Filed Pltfs. request for further answers to interrogatories.
- Mar. 25 Filed Pltfs. motion to compel production and answers on James C. Custer deposition.
- Apr. 8 Argument of defts. motion for summary judgment. Motion submitted.
- Apr. 22 Filed Defts. answers to pltfs. interrogatories Nos. 60 & 61
- Apr. 22 Filed Defts. contingent objections to pltfs interrogatories Nos. 60 & 61
- Apr. 22 Filed Defts. supplemental answers given in response to certain interrogatories represented by Pltf.
- Apr. 22 Filed Defts. objections to certain intertories [interrogatories] as re-presented by pltf.
- July 2 Filed Decision and Order granting deft's. motion for summary judgment, Curtin, DJ (notice & cy. to Messrs. Hanifin and Halpern and to Watson, Cole, etc. and Alexander, Sell, etc.)
- July 2 Filed Judgment on Decision by the Court that deft's. manufacture, use and sale of its 3M brand carbonless paper, Type 200, does not infringe pltf's. patent-Clerk (notice & cy. to Messrs. Hanifin and Halpern and to Watson, Cole, etc. and Alexander, Sell, etc.
- July 17 Filed notice of motion by pltf. primary motion to alter or amend judgment & pltf. alternative motion to alter or amend judgment ret. 7-19-74. Decision reserved — see 7/30/74
- July 17 Filed Pltfs. primary motion to alter or amend judgment.

- July 17 Filed Pltfs. alternative motion to alter or amend judgment.
- July 30 Motion by pltf. to amend judgment. Decision reserved.
- Sept. 9 Filed order denying pltfs. motion for a certification — Curtin, DJ Notice & copies to Messrs. Ames, Marsh, Hanifin, Haight, Delahunt, Griswold and Halpern
- Sept. 20 Filed Pltfs. notice of motion to augment decision & order entered 7-2-74 ret. 9-30-74 adj. to 10-29-74.
- Oct. 15 Filed stipulation & order that pltfs. charge that defts. said cosmetic capsules infringe said patent be, withdrawn & discontinued w/o prejudice etc. — Curtin, DJ Notice & copies to Thomas Hanifin, Jr. and David C. Diefendorf
- Oct. 15 Filed Final Judgment that the complaint is dismissed with costs (if any), disbursements (if any) & allowable attys. fees (if any) to be made in a supplemental judgment — Curtin, DJ. Notice & copies to Thomas J. Hanifin, Jr. and David C. Diefendorf.
- Oct. 21 Filed Pltf's. Notice of Appeal (copy mailed to Mr. Diefendorf and to Clerk, CCA with copy of Docket entries; CCA Forms C and D mailed to Mr. Hanifin
- Oct. 21 Filed bond for costs on appeal
- Oct. 29 Pltfs. motion to argue decision of 7-2-74. The matter has been resolved by stipulation.
- Nov. 19 Filed, by agreement of counsel and with Judge Curtin's approval, Deft's. Document Book (these are duplicates of papers previously filed)
- Nov. 19 Filed by agreement of counsel and with Judge Curtin's approval, Letter dated 4/18/74 from Walter D. Ames to Court and attachments

- Nov. 19 Filed Exhibits to depositions filed 2/26/74
- Nov. 21 Original papers, docket entries and Clerk's certificate mailed to Clerk, CCA
- Dec. 18 Filed Pltfs. motion to correct or modify record ret. 12-23-74.
- Dec. 23 Filed Deft's. opposition to pltf's. motion to enlarge the record on appeal etc.
- Dec. 23 Filed Pltf's. reply to deft's brief in opposition to pltf's motion.
- Dec. 23 Filed order denying the motion of the pltf. to correct or modify the record on appeal — Curtin, DJ Notice & copies to Thomas Hanifin, Watson, Cole, Grindle & Watson; David C. Diefendorf & Alexander, Sell, Steldt & Delahunt
- Dec. 23 The Ct. denies the motion to augment the record.
- Dec. 30 Filed Court Stenographer's transcript of proceedings on 12/23/74
- Dec. 30 Original papers filed subsequent to 11/21/74, supplemental docket entries and supplemental Clerk's certificate mailed to Clerk, CCA.

CLOSED

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK

MOORE BUSINESS FORMS, INC.

900 Buffalo Avenue

Niagara Falls, New York 14302,

Plaintiff,

v.

CIVIL ACTION

NO. 1972-47

MINNESOTA MINING AND
MANUFACTURING COMPANY

3389 Harlem Road

Cheektowaga, New York,

Defendant.

COMPLAINT

Plaintiff, for its complaint against defendant, respectfully alleges as follows:

1. Plaintiff is a Delaware corporation having its principal place of business at 900 Buffalo Avenue, Niagara Falls, New York.

2. Defendant is a Delaware corporation having a regular and established place of business at 3389 Harlem Road, Cheektowaga, New York.

3. This is a civil action arising under the patent laws of the United States. Jurisdiction is conferred on this Court by Title 28 United States Code § 1338(a).

4. Defendant has committed acts of patent infringement and has a regular and established place of business within this District. Venue is founded on Title 28 United States Code § 1400(b).

5. Plaintiff is the owner of United States Letters Patent No. 3,016,308, which issued January 9, 1962, and is entitled, "Recording Paper Coated with Microscopic Capsules of Coloring Material, Capsules and Method of Making." Ownership of said patent in plaintiff is derived from an assignment from Norman Macaulay, the named patentee, the said assignment has been recorded in the United States Patent Office.

6. Defendant has infringed said United States Letters Patent No. 3,016,308 by manufacture, use and sale of powder, copying sheets, and paper embodying the inventions disclosed and claimed in said patent, and by the practice of processes embodying such inventions. Defendant will continue its infringing acts unless enjoined by this Court.

WHEREFORE, plaintiff respectfully prays this Court for an injunction against continued infringement of the aforementioned patent by defendant and those specified in Rule 65(d), F.R.Civ.P.; an accounting for damages sustained by plaintiff because of defendant's infringement and an award to plaintiff in the amount of three times the damages assessed; court costs; interest; reasonable attorney fees, and such other and further relief as to this Court shall appear just and equitable.

Thomas J. Hanifin, Jr.
COHEN, SWADOS, WRIGHT,
HANIFIN & BRADFORD
256 Third Street
Niagara Falls, New York 14303
Attorneys for Plaintiff

Of Counsel:

WATSON, COLE, GRINDLE, & WATSON

Walter D. Ames

James H. Marsh, Jr.

815 Fifteenth Street, N.W.

Washington, D.C. 20005

[Caption Omitted in Printing]

DEFENDANT'S ANSWER

COMES NOW the defendant, by its attorneys, and, answering the Complaint, states as follows:

1. The Allegations of Paragraph 1 are admitted.
2. In answer to Paragraph 2 of the Complaint, defendant admits that it is a Delaware corporation, but denies that it has a regular and established place of business at 3389 Harlem Road, Cheektowaga, New York. Defendant further states, however, that it does have a regular and established place of business at 330 Greene Street, Buffalo, New York.
3. The allegations of Paragraph 3 are admitted.
4. In answer to Paragraph 4 of the Complaint, defendant admits that it has a regular and established place of business within this District, but otherwise denies the allegations of said paragraph.
5. In answer to Paragraph 5, defendant admits that United States Letters Patent No. 3,016,308 issued on January 9, 1962 to plaintiff as the assignee of the patentee, Norman Macaulay, and that said Letters Patent are titled as alleged. Defendant is without knowledge as to the ownership of said Letters Patent since January 9, 1962, and therefore denies the remainder of said Paragraph 5 and leaves plaintiff to its proofs thereon.

6. The allegations of Paragraph 6 are denied.

Further answering, defendant alleges:

7. Said Letters Patent No. 3,016,308 in suit are invalid for failure to meet one or more of the conditions specified in Sections 101, 102, 103 and 112 of Title 35, United States Code.

8. By reason of the proceedings had or taken in the United States Patent Office in the prosecution of the application leading to said Letters Patent No. 3,016,308 in suit, plaintiff is estopped from maintaining the same in such scope as to cover or embrace any article made, used or sold or process employed by defendant prior to the Complaint herein.

9. The claims of said Letters Patent in suit cannot be read on any product manufactured, used or sold by defendant, or on the use of such product, said claims, and each of them, therefore, being not infringing, particularly when said claims are interpreted in light of the teaching of the patent, in light of prior art patents and publications, and in light of the prosecution before the United States Patent Office of the application from which said Letters Patent issued.

10. Although defendant does not yet know with specificity what products or acts plaintiff complains of, products identical with those believed to be complained of by plaintiff were freely manufactured, used and sold throughout the United States by defendant, and processes understood to be complained of by plaintiff were employed by defendant, all long prior to the bringing of this suit; and plaintiff, well knowing of such manufacture, use and sale by defendant for upwards of nine years, and actually purchasing such products from defendant for more than nine years, and encouraging defen-

dant to market such products generally to third parties for over nine years, has acquiesced in defendant's said activities, causing defendant in reliance thereon to incur great expense in manufacturing facilities and in advertising and promotion of its accused products.

11. Because of its long delay in bringing this suit without heretofore protesting or accusing defendant of infringement of Letters Patent No. 3,016,308, all the while knowing of defendant's great investment in its activities now accused, as aforesaid, plaintiff's claims for damages and an injunction are barred by laches.

12. Because of defendant's reliance on plaintiff's aforesaid acquiescence in its activities carried on at great and ever increasing expense for many years, plaintiff is estopped from in any way enforcing said Letters Patent No. 3,016,208 [sic] against defendant.

13. Plaintiff by its conduct as aforesaid has given defendant an implied license under Letters Patent No. 3,016,308.

14. Letters Patent No. 3,016,308 are invalid, void and unenforceable against defendant.

WHEREFORE, defendant respectfully demands judgment:

- (a) Dismissing the Complaint herein;
- (b) Declaring the Letters Patent here in suit invalid and unenforceable;
- (c) Declaring the Letters Patent here in suit not infringed;
- (d) For all costs, disbursements and attorneys' fees; and

(e) For such relief in law or in equity as by this Court may be deemed just and proper.

RAICHLE, BANNING, WEISS &
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By Ralph L. Halpern

A Member of the Firm

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Attorneys for Defendant

**EXCERPTS FROM TRANSCRIPT OF DEPOSITION OF
RICHARD J. O'BRIEN**

[58] Q. Now, did you have a familiarity with the patent portfolio of the company in respect to carbon-less paper? A. I knew what applications we had and what patents we had been granted, yes.

[59] Q. And did you know at that time that you had been granted a Macaulay Patent No. 3,016,308 which is the patent here in suit? A. Yes. I would have known that. What was the issued date of the patent?

Q. The patent was issued in January of 1962. A. Yes. I would have known that.

Q. And I hand you Exhibit 10 which is a copy of that patent. A. Right.

Q. And ask you if you can identify that? A. Yes. I am sure I saw this.

Q. And were you aware at the time that there was a patent application pending in the name of Henn Ruus concerning carbonless paper? A. Yes, probably. I received quarterly reports from the Patent Department of all our patent activity and I read them regularly.

Q. Now, is it a fair statement that the Macaulay Patent never led to a commercial product of your company? A. I can't answer that. I confess I can't understand any of these chemical patents. I am not a [60] chemist and I read them and they are incomprehensible to me so I can't answer that. I don't know what we are using really.

Q. The technology disclosed in the Macaulay Patent had been available at Moore for many years by 1963, had it not and I direct your attention to the fact that the Macaulay Patent was filed in 1957. A. Right, right.

Q. Is it fair to say that as of 1963, the Macaulay disclosure had not led to any commercial product of Moore? A. That is right. That is correct.

Q. And is it fair to say that as of 1970 when you retired, that the Macaulay Patent had not led to any commercial product of Moore? A. Yes. We were getting ready but I don't think we had produced any commercial material at that time.

Q. You hadn't arrived yet. A. Right.

[Caption Omitted in Printing]

**MOTION OF DEFENDANT FOR
SUMMARY JUDGMENT OF DISMISSAL**

PLEASE TAKE NOTICE that upon the Complaint, the Answer, the annexed Affidavit of Stanley G. DeLaHunt, sworn to June 29, 1973, the annexed Affidavit of Dr. Dean A. Ostlie, sworn to June 29, 1973, the deposition of Waldo G. Bretson taken June 6-8, 1973, and the deposition of Dr. Dean A. Ostlie taken June 6-8, 1973, a Motion will be made at a motion term of this Court to be held at the United States Courthouse, Buffalo, New York, on the 12th day of July, 1973, at 10:00 in the forenoon, or as soon thereafter as counsel can be heard, for summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure in favor of the defendant, holding that the defendant's manufacture, use and sale of its "3M" brand carbonless paper Type 200, herein charged as an infringement, does not infringe plaintiff's Macaulay Patent No. 3,016,308 in suit, and dismissing the Complaint on the ground that there is no genuine issue as to any material fact and that the defendant is entitled to judgment as a matter of law.

Interrogatory answers by plaintiff, as appended to the DeLaHunt affidavit, establish that plaintiff charges defendant 3M with infringement of claims 8, 11-13, 16, 17 and 22-29 of the Macaulay patent in suit, and that the only product of defendant charged to infringe (or the manufacture of which is charged to infringe) the Macaulay patent in suit, is defendant's Type 200 carbonless paper. Each of the claims which defendant is accused of infringing (as well as all remaining claims) of the Macaulay patent in suit is limited in terms either to —

"A process for producing a *free-flowing powder* of microscopic discrete rupturable capsules . . ."

or

"A *free-flowing powder* of microscopic discrete rupturable capsules . . ."

or

a record copying sheet having a coating of a "*free-flowing powder* of microscopic discrete capsules . . ."

or

a paper having coated thereon a "*free-flowing powder* of microscopic discrete rupturable capsules . . ."

The specification of the patent in suit, and the proceedings upon which it was granted, and discovery taken of plaintiff, establish the patent to be limited to its terms. For example, the very first sentence of the specification (DeLaHunt Affidavit, Exhibit A, Col. 1, lines 12-16) recites —

"This invention relates to a novel product comprising a *substantially dry free-flowing powder* of microscopic discrete capsules, to the process of producing *said product*, and to a pressure sensitive record or copying material having a transfer coating of *said microscopic discrete capsules* on at least a portion of one surface thereof."

The affidavit of Dr. Ostlie, as well as the aforesaid depositions taken by plaintiff in this case on June 6-8, 1973, establish that the microscopic capsules employed in defendant's carbonless paper, in particular defendant's Type 200 carbonless paper, are not produced by a "process for producing a free-flowing powder of microscopic discrete rupturable capsules"; that said capsules are never reduced "to a free-flowing powder"; and that said carbonless paper products are neither a record copying sheet nor a paper employing a coating of a "free-flowing powder of microscopic discrete capsules".

Accordingly, the accused products or the manufacture of the microscopic capsules employed therein cannot constitute infringement of plaintiff's patent.

WHEREFORE, the Complaint should be dismissed.

RAICHLE, BANNING, WEISS &
HALPERN

By /s/ Ralph L. Halpern

A Member of the Firm

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Dated at Buffalo, New York
July 2, 1973

TO: COHEN, SWADOS, WRIGHT,
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[Caption Omitted in Printing]

**AFFIDAVIT OF DEAN A OSTLIE
IN SUPPORT OF DEFENDANT'S
MOTION FOR SUMMARY JUDGMENT**

[illegible]

DEAN A. OSTLIE, being first duly sworn, deposes and states as follows:

1. I am presently employed by the defendant, Minnesota Mining and Manufacturing Company (3M), as Research Manager in its Paper Products Division. I have held this position since about September, 1966, and from 1962 until September, 1966, held the position of Senior Research Chemist in the same division.

2. I received a Bachelor's Degree in Chemistry from St. Olaf College, Minnesota, in 1953, and a Degree of Doctor of Philosophy in Organic Chemistry from the University of Minnesota, conferred in 1957.

3. I am, and since prior to the year 1966 going back to their inception have been, thoroughly familiar with all commercial products containing microcapsules manufactured by the Paper Products Division of 3M.

4. 3M, through its Paper Products Division, manufactures and markets carbonless paper products, presently designated "3M" brand carbonless paper Type 100, and "3M" brand carbonless paper Type 200. Each of these products contains coated on the surface thereof (Type 200), or within the paper matrix itself (Type 100) microscopic capsules containing an imaging fluid. When these sheets are impacted, for example, by a writing

instrument, typewriter key, etc., capsules are ruptured in the impacted areas, releasing fluid which reacts with other components to form an image in the impacted area.

5. In the case of Type 100 carbonless paper, the other component with which the imaging fluid released from the capsules reacts is also contained within the paper matrix. Thus, the Type 100 paper can be imaged by itself without the presence of any other sheet or companion structure simply upon impact. This product is thus referred to as a self-imaging or self-contained carbonless paper.

6. Type 200 carbonless paper is designed to be used where two or more sheets are employed in superposition. In the Type 200 system, the microcapsules containing the imaging fluid are coated on the back surface of a sheet and the component with which the fluid reacts upon release through impacting of the capsules is contained on the front surface of the underlying sheet so that when the two sheets are together and impact occurs, an image is formed on such underlying sheet.

7. The capsule layer in the Type 200 paper contains, in addition to the just-mentioned imaging microcapsules, a small quantity of relatively larger "scuff" microcapsules. The scuff capsules serve simply as spacers to minimize intimate contact between adjoining sheets or plys in the Type 200 system, the purpose being to avoid premature or inadvertent discoloration.

8. The only carbonless papers containing microcapsules which are or ever have been manufactured by 3M have been manufactured by the Paper Products Division of 3M. The Type 100 paper, although prior to mid-1966 marketed under a different brand name, viz., "Action" paper, has been manufactured and marketed continu-

ously since 1962; and the Type 200 paper has been marketed since 1967.

9. Three, and three only, classifications or types of microcapsules are and have been employed by 3M in the manufacture of its carbonless papers, namely, the imaging capsules employed in "3M" brand carbonless paper Type 100, and the imaging capsules and the larger "scuff" capsules employed in "3M" brand carbonless paper Type 300.

10. In my deposition which was taken on behalf of plaintiff in this action on June 8, 1973, I was interrogated in respect to the manufacture of each of the three classes of capsules employed in my company's carbonless papers, as well as the manner in which those capsules were incorporated into the carbonless paper products.

11. Attached hereto as Exhibit A is a copy of plaintiff's Ostlie Dep. Exhibit 10 for identification marked during my said deposition, this document being a copy of two columns from my company's Patent No. 3,516,941 with certain handwritten amendments entered thereon in my handwriting. The printed text of said exhibit describes the manufacture of microcapsules employed in "3M" brand carbonless paper Type 100 in or about 1966. The handwritten amendments on Exhibit A (Ostlie Dep. Exh. 10) conform the ingredients, amounts of ingredients and procedures to the capsule manufacturing process employed by 3M from and after December 28, 1970.

12. Attached hereto as Exhibit B is a copy of plaintiff's Ostlie Dep. Exhibit 12, as identified in my aforesaid deposition taken June 8, 1973. Said exhibit is a copy of the same printed portion of 3M Patent No. 3,516,941 referred to in paragraph 11 above, but on

which I made handwritten amendments to conform the description therein to that of the manufacture of commercial imaging microcapsules as used in "3M" brand carbonless paper Type 200 from and after March 22, 1973.

13. Attached hereto as Exhibit C is a copy of plaintiff's Ostlie Dep. Exhibit 14, as identified in my aforesaid deposition taken June 8, 1973. Said exhibit is a copy of the same printed portion of 3M Patent No. 3,516,941 as referred to in paragraphs 11 and 12 above, but on which I made handwritten amendments to conform the description therein to that of the manufacture of commercial scuff microcapsules as used in "3M" brand carbonless paper Type 200 from and after November 16, 1971.

14. As can be seen from Exhibits A-C (plaintiff's Ostlie Dep. Exhs. 10, 12 and 14, respectively), all of the microcapsules therein described as employed in 3M's commercial carbonless papers are formed in an aqueous slurry, which slurry is of a pumpable consistency and contains more than one-half water. This has always been the case. While over the years there have been some slight changes in ingredients, amounts of ingredients and process conditions, at no time since the inception of 3M's carbonless paper products have these differences led to the formation of microcapsules other than in an aqueous slurry of pumpable consistency containing more than one-half water.

15. Following manufacture for incorporation into the commercial Type 100 carbonless papers as above described, the aqueous slurry of capsules is dumped or pumped into a paper-making machine where it is blended with paper fibers and other ingredients in the paper-making operation.

16. Following manufacture for coating in Type 200 carbonless paper as above described, the aqueous slurry of imaging capsules is pumped or dumped into a tank where blending occurs with the aqueous slurry of scuff capsules as well as with other ingredients, and this aqueous solution is then coated onto paper in the formation of the microcapsules-containing coating of the Type 200 paper.

17. Inasmuch as the equipment on which the final carbonless paper product is made is located at a different place—and frequently at a different plant site—than the site of manufacture of the microcapsule slurry, it is necessary to transport the microcapsules from the site of microcapsule manufacture to the site of final product formation. In these operations, the microcapsules are handled as a slurry always containing more than one-half water. This has been true of 3M's manufacture of all of its commercial carbonless papers since their inception.

18. At no point from the formation of microcapsules to the production and packaging of the carbonless paper products, can the microcapsules employed in any carbonless paper product of 3M be characterized as a "free flowing powder". The microcapsules employed in 3M carbonless papers Type 100 and Type 200 (including as sold under the prior brand name "Action") are not produced in a process for producing a free flowing powder, and are never reduced in form to a free flowing powder. Neither have the said carbonless paper products employing such capsules been formed from or with a free flowing powder of microscopic discrete rupturable capsules.

Further affiant sayeth not.

/s/ Dean A. Ostlie

Dean A. Ostlie

EXCERPTS FROM TRANSCRIPT OF PROCEEDINGS
OF AUGUST 2, 1973

[24] MR AMES: I am trying to find out what capsules they make in a dry free flowing form and I want you to know it has only been since the motion for summary judgment was brought that I even discovered that this \$71,000 worth of dry free flowing capsules were made.

We have three Rule 37 motions pending. I see my notice of motion is July 12th.

THE COURT: You tell me what the motions are. Let [25] us take that up first.

MR. AMES: All right. Well, I think I have them here. We haven't really,—we have barely commenced discovery, so on the one hand 3M says "oh, no, you haven't proved that we make free flowing capsules", and on the other hand they say "and you are not going to get discovery to prove it".

Now, let's see, there are quite a few motions here. Perhaps I should go to the most recent of the motions, if your Honor wants to go from the top of your file down. There is plaintiff's motion under Rule 37(a), FRCP to compel answers to interrogatories numbers 39 to 48 and compliance with second request under Rule 34.

Now, some of these were, quote, answered, close quote and others were objected to. There were very few where real answers were provided. I should interpose that so that your Honor won't believe I am in any way concurring with defendant's position, that there is absolutely no difference from the point of view of equivalence between putting capsules in [26] water or not putting them in water. They all dissolve. They act the identical way and — — —

* * *

[31] THE COURT: Let us take it from my point of view. That is, an orderly procedure, taking one thing at a time. You have a motion for summary judgment which if granted is the ultimate,—that is the end of the lawsuit. They have made certain motions for discovery and to compel answers to certain interrogatories which is an intermediate step. They filed a written memorandum in support of those particular motions and we have not heard from you in that regard.

MR. HALPERN: Just for the record, your Honor, we have a companion motion that we do have with the summary judgment motion to stay. These motions — — —

THE COURT: Of course, stay the motions, but if I do grant summary judgment that is the end of the lawsuit. I would think as far as my selfish point of view is concerned, Mr. Haight, the next step for me is to direct that you answer the memorandums filed by Mr. Ames and indicate to me in writing why [32] they are not entitled to this additional discovery before I take on your motion for summary judgment.

It may be that after I read their memorandum, I read yours and I read the companion motions and briefs on summary judgment I may agree with you and say "I will grant the stay and I will grant summary judgment", but I think in the meantime for me to understand this voluminous complex file in, as I explained to you, in a field of law which is not the commonest occurrence in this particular District Court that is what I ought to do, so I will direct that these written briefs be filed. How long will that take to do?

EXCERPTS FROM TRANSCRIPTS OF PROCEEDINGS
OF NOVEMBER 15, 1973

[56] THE COURT: Now, based upon that and based upon the uncontroverted affidavits of Dr. Ostlie here about the process that 3-M uses in making their material, what do you say to all this?

MR. AMES: Ali right. Dr. Ostlie's affidavit has appended to it something that Dr. Ostlie took. He took a sheet, a page from a patent that 3-M got and he marked [57] it up to apparently show what 3-M does. By the way, I don't find even in there anything about how they coat the paper. That is not the best evidence, number one. On discovery, we have been trying to find out just what the process is by the best evidence. I am sure there are books, there are instructions —

THE COURT: You took Dr. Ostlie's deposition?

MR. AMES: Yes.

THE COURT: Didn't he explain in the deposition what he did or what they did?

MR. AMES: We have not been able to obtain any documentary evidence by 3-M as to what they did.

THE COURT: What do you propose that they give to you?

MR. AMES: I propose that they give to us all instruction books, all manuals that they have that tell their production men just how to make the paper, and that they have refused to do. They prefer to mark up some piece of paper.

THE COURT: Mr. Ames, how can you start, even start the lawsuit in good faith. I [58] realize that discovery is sometimes a difficult and arduous business, but you claim they infringe.

MR. AMES: Yes.

THE COURT: All of the evidence we have, you know, and I use the word "evidence" in a very broad sense,—all the information we have is that they use a slurry. Do you have any information at all that this information is incorrect?

MR. AMES: They use a slurry. Now, again, we are getting a little afield, perhaps, from the way I had planned to argue it, but — —

THE COURT: All right. I am sorry.

MR. AMES: That is all right. I want to answer your questions. You infringe a patent by making, using, selling, any one of those three. You don't have to sell it for a huge profit. If you make it and your making it is not for cultural purposes, you infringe. These quality control tests that 3-M performed are just as much an infringement where, for a commercial purpose they make the dry [59] free flowing powder as if they took that powder and sold it, so right there, they have made it.

* * *

[61] MR. AMES: However, claim 24 for the paper doesn't have anything to do with the process by which the paper is made and I think it will be apparent that in a sheet of carbonless carbon paper there is no slurry of micro-capsules floating around on it and, likewise, there is no free flowing powder flowing around on it. You have micro-capsules of a specific type as defined in Claim 11 and they are adhered to a sheet of copy paper. Whether they are put on there in a slurry form, and we have never learned yet. Moore still doesn't know how 3-M applies, makes its paper, whether they are put on in a slurry, coated with a slurry of micro-capsules and then dried or whether some kind of binder is applied to the paper and then the micro-capsules in a dry form are in some way sprayed on. It doesn't make any difference because on the carbonless paper, the capsules have to be in fixed

position. They can't be [62] in the form of free flowing powder or you couldn't use the paper and they can't be in the form of a slurry.

THE COURT: I certainly realize that, Mr. Ames, but what I am pointing out is the fact that when you read 24 and 11 together, it seems to indicate that the capsules which are placed on the paper come from this free flowing powder and I realize that eventually, there would have to be some kind of probably a wet process in order to get the capsules to stick.

MR. AMES: Yes.

THE COURT: It would appear to me that the English language requires that 24 and 11 be read together.

MR. AMES: They should certainly be read together.

THE COURT: All right.

MR. AMES: But I do believe that Claim 24 claims they are record copying sheets and regardless of how, by what means in a slurry form or in a dry form the micro-capsules are applied to that record sheet when you claim a record [63] sheet with micro-capsules, the micro-capsules are not going to be in either a free flowing or slurry form, but they are going to be adhered more or less regularly to that copy sheet and that is what Claim 24 is all about.

However, let's presume that each and every one of these,—Claim 24 somehow has read into it a process limitation. I don't know how it could be, but that somehow you would have to have had a dry powder at one time and then you make a water slurry of the dry powder and you coat the paper with that slurry and then dry it so that way back somewhere the words are in here that there is a dry powder of micro-capsules at some time.

You then come to the two parts, two sides of the same coin which are doctrine of equivalence and file wrapper

estoppel. Now, at no time is there any affidavit that has been submitted in support of its motion for summary judgment by 3-M that a slurry, a water slurry of micro-capsules does not work just the same [64] way that a dry powder of the same micro-capsules performs. The doctrine of equivalence is that two — —

THE COURT: Mr. Ames.

MR. AMES: Yes.

THE COURT: I hate to interrupt.

MR. AMES: No, please do.

THE COURT: But it pains me when you say things like that because isn't that exactly the argument that you made in your patent that there is a large difference between free flowing powder and the aqueous? I mean you keep emphasizing the fact that there was a disadvantage to the aqueous solution and, therefore, that is why you,—yours is different from the Green application.

MR. AMES: All right. I think, your Honor, that you are reaching the next side of the coin which is file wrapper estoppel.

In the absence of a file wrapper estoppel, two things are equivalent where they perform substantially the same function in substantially the same way and accomplish the same result. That is [65] Graver Tank, and that is the basic definition. I have not heard any argument. I have certainly seen no affidavit by 3-M that in the absence of a file wrapper estoppel a powder of the same micro-capsules as are in a slurry form does not perform substantially the same function in substantially the same way and accomplish the same result.

* * *

[91] THE COURT: Since the last meeting we had here, there hasn't been any further discovery, has there, or has there?

MR. AMES: Yes, there definitely has been. We have been making attempts.

THE COURT: What have you done since that time?

MR. AMES: Pardon me, your Honor?

THE COURT: What occurred since our meeting [92] in the summer?

MR. AMES: We filed, I believe Moore filed three more sets of interrogatories, none of which was answered in any way, shape or form.

THE COURT: These go on 39 to 48 and 49 to 54?

MR. AMES: Yes, and 55 to 59, your Honor.

THE COURT: Were there any depositions, further depositions taken?

MR. AMES: No. Moore didn't take anymore. We felt we would be met with just continuing objections.

THE COURT: You did not take anymore?

MR. AMES: No, we did not.

THE COURT: And 3-M did not take any?

MR. HAIGHT: No, your Honor.

* * *

[95] THE COURT: Very well, Mr. Ames. I have examined all this material. What else do you want to call to my attention?

MR. AMES: Your Honor then has examined all the material up through the motion to compel answers to interrogatories?

THE COURT: I have looked at it all and I have tried to read it all. It would appear to me, let us say, starting from the beginning, aren't the answers that have been given here extensive? For example, number two, identified by name and so forth officers and directors.

MR. AMES: Yes. There is no question. The motion didn't go to that interrogatory at all.

THE COURT: All right. Where should we start then?

MR. AMES: Well, your Honor still wants to start with the interrogatories 1 to 38.

[96] THE COURT: It is sort of traditional to begin at 1.

MR. AMES: To begin at the beginning, right.

THE COURT: A stuffy, conservative Court, Mr. Ames.

MR. AMES: All right. Let's see. All right, then going to interrogatories 1 to 38, I am sorry if it appears that each and every one of those interrogatory answers was insufficient because they were not.

* * *

[146] THE COURT: I think what you say, Mr. Halpern, when you say it is fundamental, the reason I have gone into interrogatories, the interrogatory problem, for a couple of reasons. One is just practically we are all here, and two is I am trying to find out,—I see there is no affidavit filed by plaintiff in response to the affidavits of, and the depositions and the record made by the defendant here, and I have been searching. It seems to me that if there is any discovery here, further discovery that would be necessary for the plaintiff to meet the motion, [147] well then, we ought to give some consideration to it, but that is one of the things, perhaps, about the problem about the size of the capsule or the thickness of the shell of the capsule, it really doesn't have anything to do with the motion for summary judgment.

MR. HALPERN: Correct, your Honor.

MR. HANIFIN: Your Honor, may I say just two sentences.

MR. HALPERN: In response to your Honor directly, Rule 56(f) as distinguished from Rule 56(e), (f) provides that where the party who is opposing the motion for summary judgment states in affidavit form that he cannot for reasons stated in that affidavit state facts essential to justify his opposition, then the Court can make further

limited discovery focused in on the wet vs. dry, but they have never submitted a Rule 56(f) affidavit.

THE COURT: Mr. Hanifin.

MR. HANIFIN: Your Honor, it seems to me that by refusing to reveal, just for example, [148] the results of these tests, however limited, that the defendant here is preventing the plaintiff from getting the very information that it does need to clearly defeat the motion for summary judgment even if there weren't any other legal arguments passed on equivalency and file wrapper estoppel, et cetera. Just suppose that these tests indicate clearly that the research department of 3-M regarded the dry powder and the slurry as equivalent and say so, and thus determine they will go in one direction or another.

THE COURT: There are a couple of problems with that, Mr. Hanifin, and one is, as I have indicated to Mr. Ames, I think his request here is much too broad.

* * *

[161] THE COURT: I will read the Digitronics Case.

MR. AMES: It is directly in point and completely in point, and of course, I might say no discovery was stayed. It appears to have been but there was no motion granted.

THE COURT: They said they objected to it and then you could have made a motion,—you did make a motion.

MR. AMES: I did.

THE COURT: So nothing is stayed. I would make this suggestion to you; we have discussed a number of the objections here. In many instances,—some instances it appeared to me from the discussion that they were coached in language so broad that it would be not only burdensome to the defendant, but of no use to you at all if the answers were given.

From the discussion here it appeared to me that in some areas that the,—that upon a more narrow approach on your part that you could get certain information.

Furthermore, you have the names of a number of people who are familiar with various steps to be taken here. [162] Frankly, without deciding this, but on the surface, certainly just certainly a curbstone approach, the first perusal on the papers, and reading of the authorities leads me to believe that the defendants here have a good argument that summary judgment should be granted now, but, Mr. Ames, and this is,—perhaps if that is the case and this is perhaps unfair to the defendants here, as I have explained to you, being a neophyte in the field, it seems to me that I should proceed perhaps with greater caution than some judge who has had greater experience here in the patent law, but so that you can make your case here, I am going to withhold ruling on the motion for the present to give you an opportunity to rephrase your interrogatory, and when you do that, I would appreciate it if you would in some way clue them in with the other questions. For example, I think 12(c) was one, if you could clearly indicate your new amended 12(c) is thus and so so [sic] that we [163] would be able to follow in sequence the questions and answers given.

Furthermore, it seems that some of the information perhaps can be arrived at by discriminate depositions taken of some of these people here. Is there any suggestions? Mr. Halpern.

MR. HALPERN: May I make a suggestion, your Honor, in view of your remarks, could I suggest this, that the plaintiff, even though we have now argued the motion, supply the rule 56(f) affidavit stating what additional information he seeks and that any further discovery by way of interrogatories or depositions be limited to opposition to our motion for summary judgment on the issues of that, and that all other discoveries be stayed until he has completed that discovery and the Court has had an opportunity to make a

decision insofar as the issue tendered in the motion for summary judgment is concerned.

THE COURT: I know in reading some of the depositions here, and I know taking the [164] depositions in this lawsuit is most difficult because you have had all of the problems about attorney-client privilege and trade secret and things of that nature, and it appears to me that that is the intent here of my holding back at the present time, but on the other hand, it seems to me that it would be perhaps,—it may be impractical because the Federal rules say that the material sought should be not what is admissible in evidence, but what may be relevant or may lead to relevant material, so I think rather than have something formal, it would be better to leave it to your good judgment.

MR. HALPERN: And certainly there are certain areas, your Honor, which are clearly not involved or could lead to discoverable evidence in respect to a summary judgment, but insofar as the wet vs. dry process is concerned, we would suggest to your Honor a special master be appointed to inspect our plants and processes and one that both parties could agree on, [165] somebody eminent in the field, be it a chemist, but someone who is familiar with this field, to go through all the 3-M plants to fully have available to him how the processes and how our paper is made so our word is not just taken, but a special master as provided under the rules, and give the Court and the parties an independent opinion of the wet vs. dry, because we claim that as a matter of law on the papers, on their own patent and the file wrapper, we don't have to go beyond that, and we have no hesitation to make available to any special master that type of information.

THE COURT: Mr. Halpern, it seems to me there are a couple of things to hold off the special master for a

minute. I don't mean to say, for example, it appears to be your position here that as far as detailed examination of the tests, of the size of these capsules is immaterial on the motion for summary judgment.

MR. HALPERN: That is correct, your Honor.

THE COURT: All right. If that is your position [166] and if they start to go into that or if he rephrases the question about that, I would consider the questions asked and the answers given, but if that is your position, I don't direct that you have Dr. Ostlie or anyone else answer that. I leave that to your good judgment, but I do think that under the circumstances I ought to give the plaintiff here another opportunity to,—and some of the things, of course, we have talked about that we have said further information could be given if the question was a little more narrowly phrased. What about, and I think that perhaps this idea of having a master appointed, would that be of any assistance here?

MR. AMES: None at all.

MR. HALPERN: That shows their hand.

MR. AMES: The master can say what 3-M is doing now but how is the master to say what they have been doing since the issuance of the Macaulay Patent.

THE COURT: When do you think you could have this done, Mr. Ames, in view—

[167] MR. AMES: Modifying the existing interrogatories?

THE COURT: Yes.

MR. AMES: One week.

THE COURT: Why don't we do it this way; you do it as soon as possible; the answers will be made as soon as possible and then when the answers are made, why don't you then, if the answers are not sufficient enough, make an appropriate motion and we will set it for argument and then if they are, of course, and you are in a position

to file an additional affidavit or affidavits to the motion for summary judgment, well, do so.

MR. AMES: May I have leave then, your Honor, to file affidavits if necessary?

THE COURT: Oh, surely. That is saying here.

MR. AMES: I am somewhat dismayed by your statements on summary judgment. Your Honor seems to have—

THE COURT: Mr. Ames, I want you to understand that I am not deciding the motion today and I just want to give you,—I don't want you to be lulled into some feeling that summary judgment is never granted. [168] I realize summary judgment can only be granted in the most unusual circumstances. All I am saying is that from what I see before me there is a strong argument that perhaps it would be.

MR. AMES: I felt there wasn't because I saw no affidavit from 3-M that said that the dry and the wet are not equivalent. Now, apparently I have that burden. If I have that burden to put in the first affidavit on the fact of equivalence, then I must take it. I saw nothing whatsoever other than mere argument of counsel about what is in the file wrapper.

THE COURT: I have read the file wrapper and that is why I came to that conclusion.

MR. AMES: Did you read the Green Patent, your Honor?

THE COURT: I read all those materials and certainly I read their brief and I read your brief and read the cases they talk about, so we will be in adjournment now and if they do not answer as quickly as you think that they ought to, you may then, of course, make your [169] appropriate motion, but we will leave it to your good judgment.

MR. AMES: With leave of the Court then I will be filing some affidavits.

THE COURT: Fine. We will be in recess.

[Caption Omitted in Printing]

**PLAINTIFF'S MOTION FOR DISMISSAL OF
PENDING MOTION FOR SUMMARY JUDGMENT**

Plaintiff, Moore Business Forms, Inc., respectfully moves this Court for an order dismissing a motion entitled, Motion of Defendant for Summary Judgment of Dismissal, which motion was dated July 2, 1973, and is presently pending before this Court. That motion sought a holding that defendant had not infringed the patent in suit by manufacture and sale of so-called Type 200 paper or capsules used in its manufacture because those capsules were never in the form of a dry, free-flowing powder.

The basis of the present motion to dismiss is that defendant's pending motion cannot be sustained because there are at least five genuine issues of facts material to infringement of U.S. Patent No. 3,016,308 here in suit, even accepting defendant's contention that in manufacturing its Type 200 paper it never produces capsules in the form of a dry, free-flowing powder. While plaintiff believes the affidavits and brief submitted in support of its motion to dismiss are persuasive, at the least they raise real issues as to the material facts of literal infringement, equivalence, and the meaning of claim language and the file history of the patent in suit.

These issues will be more readily apparent from the annexed affidavit of William D. Swiercz, sworn to the 14th day of February, 1974, the exhibits annexed thereto, and the affidavit of Robert E. Burns, sworn to the 11th day of February, 1974, and the supporting brief. Since plaintiff's discovery has virtually ceased since the bringing of the motion for summary judgment by defendant on July 2, 1973, the Court's early attention to the present motion is respectfully requested.

/s/ Walter D. Ames

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[Caption Omitted in Printing]

AFFIDAVIT OF ROBERT E. BURNS

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, ROBERT E. BURNS residing at 21 Parkwold Drive East, Valley Stream, New York, being duly sworn depose and say:

1. I am a graduate engineer with a BS degree from the University of Wyoming and an MA degree in jurisprudence and Blitt degree in comparative Patent Law from Oxford University. I was formerly an Examiner in the United States Patent Office and have practiced as a Patent Attorney since 1936. For a number of years I also lectured on Patent Law at Columbia University. I have appeared as expert witness in a number of patent suits, particularly with respect to the interpretation of patent file wrappers. I am presently senior partner of the firm of Burns, Lobato & Adams with offices at 253 Broadway, New York, New York.

2. I have examined the Patent Office file wrapper and contents of Macaulay Patent 3,016,308 to determine whether there is any file wrapper estoppel which would preclude or restrict application of the Doctrine of Equivalents in considering infringement of the patent claims by the defendant. The patent relates to recording paper coated with microscopic capsules of coloring material and to the capsules themselves and method of making them. The capsules comprise minute shells containing the coloring material. When a sheet of paper coated with the capsules is subjected to pressure as in

writing or typing, the capsules are broken so as to release the coloring material and thereby make a copy on an underlying sheet without carbon paper.

3. From its brief in support of a Motion for Summary Judgment, defendant's position is understood to be:

1. The Macaulay patent is limited to production of "a substantially dry free-flowing powder of microscopic discrete capsules;"

2. In defendant's process, the micro-capsules are in aqueous or slurry form at all times from formation to their use in production of a coated sheet and at no time can be characterized as "free-flowing powder".

4. From an Affidavit of William D. Swiercz submitted herewith and from an examination of the "drawndowns" referred to in the Affidavit, it appears that the micro-capsules are produced in the form of a slurry and that the same results are obtained whether the micro-capsules are dried and then reslurred for application to the paper or whether they are kept in aqueous or slurry form at all times from their formation to their application to the paper.

5. The Doctrine of Equivalents is designed to protect a patentee by preventing an infringer from stealing the benefit of an invention while evading the patent. A patentee may invoke the doctrine to proceed against the producer of a device if it performs substantially the same function in substantially the same way to obtain the same results even if it does not come within the precise language of the patent claims.

6. However, if during prosecution of his application the patentee had to amend the claims in order to differentiate his invention from prior art, he cannot

thereafter use the doctrine of equivalents to recapture what he had had to give up. This is referred to as file wrapper estoppel. My examination of the file wrapper of the Macaulay patent and of the prior art referred to therein was accordingly directed to determining whether there is anything that would enable the defendant to make the same micro-capsules and the same coated paper while avoiding infringement by omitting the drying step.

7. In my investigation I have directed my attention to claims 8, 11, 16, 23, 24, 25 and 27 which appear to be representative claims. I have traced the genesis and history of each of the claims to see if during prosecution of the application they were amended to introduce the terms "Substantially dry free-flowing powder" or "free-flowing powder" in order to distinguish the invention from the prior art cited by the Patent Office Examiner.

8. In this connection, I have considered the meaning of the terms used in the patent, keeping in mind that terms in a patent are to be given ordinary or dictionary meaning unless otherwise defined in the patent. The term "powder" is defined in the Compact Edition of Oxford English Dictionary as "Any solid matter in a state of minute subdivision". It is noted that the patentee at column 3, line 64 says:

"These micro-capsules may be considered as being analogous to pigment particles and they can be dispersed in any binder/vehicle combination in a manner similar to ordinary pigments."

The term "free-flowing" is understood to mean that the powder has the characteristic of flowing freely like talcum powder as distinct from particles which tend to stick together so as to form a coherent mass. However, the term "free-flowing" does not necessarily connote

"dry". Thus, talcum powder is free-flowing in water. Likewise, the micro-capsules of the patented invention are free-flowing when in slurry form.

9. The patents indicated above will be considered sequentially. Page references are to the pages of the file wrapper.

CLAIM 8: (PROCESS)

Claim 8 is directed to a process for producing a free-flowing powder of microscopic discrete rupturable capsules comprising liquid droplets encapsulated within an outer rupturable shell of film-forming material. Claim 8 was application claim 41 (see Examiner's tabulation pages 131-132) which was added by amendment C on page 68. Claim 41 is designated as a rewrite of claim 34 which was submitted in amendment A on page 47. Claim 34 is a subordinate claim dependent on claim 30 also submitted in amendment A on page 45. Claim 30 is designated as a rewrite of claim 10 which was an original claim appearing on page 34.

Claim 10 is directed to:

"A process of producing a *free-flowing powder* comprising microscopic discrete capsules comprising a rupturable shell containing therein a marking fluid capable of being liberated when the shells of said discrete capsules are ruptured upon being subjected to external pressure" (underlining added).

When claim 10 was rewritten as claim 30 (page 45) the term "free-flowing powder" remained the same. Claim 34 (page 47) was dependent on claim 30. When claim 34 was rewritten as claim 41 (page 68) no amendment was made with respect to the term "free-flowing powder". As there was no amendment of the claim with respect to the term

"free-flowing powder", there can be no file wrapper estoppel in this respect.

Moreover, if the term "free-flowing powder" had not been in the original claim from which patent claim 8 stemmed, its introduction into the claim could not have been for the purpose of distinguishing the invention from the prior art. In the first Office Action, (page 41) the Examiner cited Patent 2,800,457 (Green (2)) and Patent 2,800,458 (Green (3)) as disclosing that dry granules may be formed in free-flowing form by spray drying them (see page 41). Thus, in Green (2) in column 3 at line 28 and in Green (3), column 2 at line 46 it is disclosed that the capsules can be spray dried if desired. Hence, even if the term "free-flowing powder" had been added by amendment during prosecution of the application, there would still have been no file wrapper estoppel since such amendment could not have been for the purpose of distinguishing the invention from prior art.

While claim 8 is directed to a method of producing a free-forming powder, it will be noted that claim 8 does not include a drying step. It thus appears that the free-flowing powder need not be dry. Infringement is not avoided by omitting drying.

Moreover, Green (2) is of particular interest in teaching that the capsules may be used in a liquid vehicle or may be dried (see column 3, line 26) thereby indicating equivalency of these alternatives.

CLAIM 11: (MICROSCOPIC CAPSULES)

Claim 11 of the patent corresponds to application claim 36 (see tabulation on page 131). Claim 36 was added by amendment C (page 65) and was allowed without amendment. Claim 36 as filed includes the term "free-flowing powder".

In amendment C it is not stated that claim 36 is a rewrite of any specific previous claim. However, concurrently with the adding of claim 36, claims 4, 6, 9, 24 and 25 were cancelled (see page 66). Claims 4, 6 and 9 (pages 32 and 33) were original claims while claims 24 and 25 were submitted in amendment A as rewrites of claims 3 and 5 respectively (see page 44). Each of claims 3, 4, 5, 6 and 9 uses the term "substantially dry free-flowing powder" (underlining added). In claims 24 and 25 (page 44) this was replaced by "free-flowing powder". Thus, if original claims 3, 4, 5, 6 and 9 are considered to be the predecessors of claim 36, it will be seen that in the prosecution of the application, the terminology was broadened from "substantially dry free-flowing powder" to "free-flowing powder". There was thus no narrowing of the claims during prosecution that could give rise to file wrapper estoppel.

Moreover, even if the term "free-flowing powder" had been introduced by amendment, this could not have been a limitation to differentiate the invention from the prior art since as pointed out above, a substantially dry free-flowing powder is disclosed in the prior art (Green (2) and Green (3)) cited by the Examiner. It follows that no file wrapper estoppel could have arisen.

CLAIM 16: (MICROSCOPIC CAPSULES)

Claim 16 is dependent on claim 11 and likewise uses the term "free-flowing powder". Claim 16 of the patent corresponds to claim 44 of the application (see tabulation on page 132) which was first submitted in amendment D (page 126). It is stated on page 126 that claim 44 is a rewrite of claim 37 which was submitted in amendment C (page 66). Claim 37 is stated to be a rewrite of claim 26 which was submitted in amendment A (page 44). Claim

26 is not stated to be a rewrite of any preceding claim. The term "free-flowing powder" remained unchanged throughout the sequence of claims 26, 37 and 44 which the latter was renumbered as claim 16 of the patent. There was thus no amendment in this respect which could have given rise to file wrapper estoppel. Moreover, as pointed out above with respect to claims 8 and 11, the term "free-flowing powder" even if it had been introduced by amendment during prosecution of the application could not have given rise to file wrapper estoppel since it could not have been for the purpose of distinguishing the invention from the prior art.

CLAIM 23: (RECORD COPYING SHEET)

Patent claim 23 is original claim 14 of the application (see tabulation on page 132). The term "free-flowing powder" appeared in claim 14 as originally filed. (Page 35). There was no amendment of claim 14 during prosecution of the application except that in amendment A the following language was added:

"said microscopic discrete capsules being those defined by claim 23" (page 48).

In amendment C, the reference to claim 23 was changed to claim 36 (page 69) and in the patent, claim 36 was renumbered as claim 11. It will thus be seen that the term "free-flowing powder" was in the claim from the beginning.

Moreover, since patent claim 23 (application claim 14) is directed to a record copying sheet, it appears that the terminology "free-flowing powder of microscopic discrete capsules" refers to the characteristics of the capsules as being discrete and non-cohesive rather than to the state of the capsules on the record copying sheet. It is

obvious that if the capsules were in a "free-flowing" state on the sheet, they would fall off. From the Affidavit of Mr. Swiercz submitted herewith, it appears that the record copying sheet is the same regardless of whether the capsules are kept in slurry form or dried and then reslurred for application to the sheet.

CLAIMS 24, 25 and 27: (RECORD COPYING SHEET)

From the tabulation on page 132, it will be seen that claims 24, 25 and 27 of the patent correspond to application claims 15, 16 and 18, all of which were original claims (see pages 35 and 36). These claims do not call for free-flowing powder but refer rather to "microscopic discrete capsules". Original claim 15 which became patent claim 24 was not amended during prosecution of the application except that by amendment A (page 48) the words "said microscopic discrete capsules being those defined by claim 23" were added. Similarly, claim 16 was amended by adding the words "said microscopic discrete capsules being those defined by claim 29". In amendment C, (page 69) references to claims 23 and 29 were both changed to claim 36 which became patent claim 11.

No change was made in claim 18 which became patent claim 27 except for the renumbering of the claims.

It will be noted that patent claims 24 and 25 are not dependent claims in the usual sense. They hence do not incorporate by reference all of the substance of a parent claim. Rather, they refer back to claim 11 as a convenient way of defining the discrete capsules with which the sheet is coated. In claim 11, capsules are defined as having a particular size, particular liquid content etc. These characteristics are incorporated by reference in claims 24 and 25. However, it will be noted that claims 24 and 25 do not refer to the "free-flowing powder" of

claim 11 but only to the microscopic discrete capsules which are said to be those defined by claim 11. As pointed out with respect to claim 23 the capsules cannot be in the state of a free-flowing powder on the paper. It will thus be seen that claims 24 and 25 are not limited in terms to a free-flowing powder. They are thus broad enough to cover literally and without resort to the Doctrine of Equivalents, a record sheet coated with microscopic discrete capsules as described regardless of whether or not the capsules are applied as an original slurry or are dried and then reslurred.

Even if the amendment of original claims 15 and 16 were interpreted as introducing by reference the term "free-flowing powder" this could not have been for the purpose of distinguishing the invention from the prior art since as pointed out above, Green (2) and Green (3) both disclose that the capsules may be applied either with or without intermediate spray drying. Hence, even if interpreted in this manner, the amendment could not give rise to file wrapper estoppel.

What has been said with respect to claim 25 applies also to claim 27 which is dependent on claim 25.

SUMMARY

A careful consideration of the file wrapper including cited prior art discloses that there is no file wrapper estoppel with respect to the term "free-flowing powder" that would preclude application of the Doctrine of Equivalents and thereby make it possible to evade the claims by omitting the drying step. Moreover, it will be noted that in claim 8 the drying step is not included and that claims 24, 25 and 27 are not limited in terms to a free-flowing powder. Hence, with respect to these claims,

there is no need of relying on the Doctrine of Equivalents.

/s/ Robert E. Burns

Robert E. Burns

[Caption Omitted in Printing]

AFFIDAVIT OF WILLIAM D. SWIERCZ

STATE OF NEW YORK)
) ss.
 COUNTY OF NIAGARA)

WILLIAM D. SWIERCZ, being duly sworn, deposes and says as follows:

1. I am a research chemist in the process engineering group of the Research Department of Moore Business Forms, Inc. I have completed the credit requirements for a baccalaureate degree in chemistry, having attended both the University of Buffalo and Erie County Technical Institute, although I have not received that degree.

2. I am a resident of Lake View, New York. From 1963 to 1969 I was employed as a research chemist at Pierce and Stevens Chemical Corp., of Buffalo, New York. On December 1, 1969 I became an employee of Moore Business Forms, Inc., and have worked in the capacity of research chemist at the Moore Research Department in Niagara Falls, New York from that time until the present. Throughout the course of my employment at Moore Business Forms, Inc., I have personally

performed considerable experimentation in the fields of microencapsulation and carbonless papers made therefrom. Such work has been done under the immediate supervision of John W. Huebschmann, a research chemist at Moore Research, of which Dr. Norman Macaulay is associate director.

3. I have been requested by patent counsel for Moore Business Forms, Inc., through Dr. Macaulay, to prepare sheets of paper coated with microcapsules having a rupturable shell formed from a chemical condensation polymer in accordance with U.S. Patent No. 3,016,308. I have been asked to form the microcapsules in a slurry and apply the slurry directly to paper sheets. By way of contrast, I have been asked to take the same slurry of microcapsules and in lieu of such direct application to sheets, to dry the microcapsules to form a dry, free-flowing powder of capsules. Then the free-flowing powder is to be reslurried in the same binder medium from which they were dried and applied as a coating to paper sheets. All factors, from the conditions of formation of microcapsules, the structure thereof, and conditions of application to sheets are to remain constant, the only distinction to be the drying and reslurring of one batch of the microcapsules. Once the coated papers are formed, they are to be compared for performance characteristics.

4. In accordance with these goals, commencing on February 6, 1974, I repeated Example IV, described in column 9 of U.S. Patent No. 3,016,308, with certain modifications, the reasons for which will be explained as they appear. About 11.3 parts by weight of carbon black, manufactured by Cabot Corporation under the name of Mogul A SRS-488 was stirred into 75 parts of a mixture containing 10% Arochlor 1248, a chlorinated diphenyl, and 90% 100 second mineral oil (MBF-0-100 W.D.S.).

About 37.5 parts of URAC 180 and 1.25 parts of extra low viscosity carboxymethylcellulose in 87.5 parts of water were mixed in a blender, apart from the carbon black mixture. URAC 180 was used in place of the UFormite 400 specified in Macaulay Example IV because the latter, which had been manufactured by Rohm and Haas, is no longer available. URAC 180 is manufactured by American Cyanamid Company and is a $65 \pm 2\%$ solution of urea formaldehyde resin in water. It has a mole ratio of urea to formaldehyde of 1 to 1.8. It is my understanding that this was the same approximate mole ratio of the now unavailable UFormite 400. Both products are urea formaldehyde-in-water-solutions.

5. The URAC 180-carboxymethylcellulose-water mixture in the blender was agitated and, while maintaining agitation, the oil-carbon black mixture was slowly added. After the addition was completed, agitation was maintained for an additional three minutes. The emulsion thus formed was then diluted with 300 parts of water while maintaining the agitation, which was continued for another two minutes after dilution. About 125 drops of concentrated hydrochloric acid were then added to the emulsion in the blender with agitation maintained. Agitation was continued for five minutes after addition of the acid had been completed. The resultant mixture was neutralized with sodium hydroxide to about a pH of 7.0 so that, when applied to paper, the acidity of the slurry would not damage the paper and thereby possibly affect test results. A portion of the resulting slurry was retained and labeled as sample #9 neutral slurry.

6. About 100 parts of sample #9 were now mixed with about 25 parts of a 10% solution of polyvinyl alcohol binder in water, so that the binder comprised about 2% of the total mixture. This was labeled sample

#10. Portions of sample #10 were drawn down on paper using a No. 40 RD bar and producing drawdowns designated by the numbers 10A, 10B, etc. No. 10 drawdowns are annexed to the original and certain copies of this affidavit, the drawdown annexed to the original being drawdown No. 10A.

7. Another portion of sample #9 (about 200 parts), the neutralized slurry, was filtered. The filtrate (about 129 parts) was saved and labeled as sample #11. The filter cake was then washed with water, air dried and then further dried in a circulating air oven for 45 minutes to one hour to a dry, free-flowing powder (about 41 parts). About 20.5 parts of the dry powder were then dispersed into about 79.5 parts of the filtrate (sample #11) and 25 parts of a solution of 10% polyvinyl alcohol in water. Drawdowns were made from this dispersion on sheets of paper, those drawdowns being designated by the numbers 13A, 13B, etc. The same No. 40 RD bar was utilized in making the No. 13 drawdowns. No. 13 drawdowns are annexed to the original and certain copies of this affidavit, the drawdown annexed to the original being drawdown No. 13A.

8. The use of drawdowns by Moore Business Forms has for its purpose to permit testing of the effectiveness of coatings of microcapsules on a simple basis and without the necessity of making industrial runs of the product. A drawdown is normally tested by laying the drawdown sheet face down on a clean sheet of paper and writing or scribbling on the reverse of the drawdown sheet. If the microcapsules have been properly coated an imprint of the writing will be visible on the clean sheet where the writings has overlapped the drawdown strip and the micro-capsules beneath the writing have been ruptured. On my testing of the series 10 and series 13

drawdowns, the imprints on the clean sheet from writing over the drawdowns were substantially identical.

/s/ William D. Swiercz

William D. Swiercz

SWIERCZ EXHIBITS A AND B

While the Swiercz affidavit has been reproduced in full here, the demonstrative exhibits to that affidavit could not be reproduced. Exhibit 10A is a drawdown of carbonless paper made according to a 3-M type slurry process, i.e., without drying prior to coating the paper. Exhibit 13A is a drawdown made by drying the same microcapsules to a free-flowing powder, then reslurrying them. Since the Swiercz affidavit is part of R. 45, the Court is invited to test these original exhibits so that it can see whether there is any difference in function in drawdowns of the same capsules made from a free-flowing powder or from an aqueous slurry thereof.

[Appellee objects to appellant's characterization of Swiercz Exs. 10A and 13A as inaccurate, and refers the court instead to paragraphs 6 and 7, respectively, of the Swiercz affidavit.]

EXCERPTS FROM TRANSCRIPT OF DEPOSITION
OF DEAN A. OSTLIE

[352] Q. Is there any reason why the capsule slurry that comes out of Example 18 could not be separated by filtration with respect to the capsules, and the capsules then dried and used in a dry, free-flowing form? A. It is possible.

Q. 3M has not done it, have they, to the best of your knowledge—that is, used the capsules in a dry, free-flowing form? A. We do not use them in dry, free-flowing form in the preparation of either Type 100 or Type 200 Carbonless Paper.

Q. Has 3M ever done it, to the best of your knowledge? A. Capsules have been separated into dried form.

Q. On what occasions? A. We do it—you know, we do it in the laboratory a number of times, but it's not done in the manufacture of our carbonless papers.

Q. Why are the capsules not dried and brought to a free-flowing form, as you have apparently indicated, in commercial production by 3M of Type 100 and Type 200 Paper? A. It's much more convenient to use them in their slurry form.

Q. Do you, sir, know of any difference in function of the capsules in Type 100 or Type 200 Paper that would accompany [353] drying them and then reslurring them as opposed to using them in their slurried form? A. Well, in the additional handling and operation that would be required in drying them, you stand the chance of breaking some, releasing free fill material, which is not there when you use it as a slurry form.

Q. Is there any other disadvantage to drying them and then reslurring them? A. Economic. It's a costly procedure.

Q. The drying step is a costly procedure? A. Any additional processing step, such as filtering and washing or drying, is a costly step if you don't have to do it.

[Caption Omitted in Printing]

AFFIDAVIT OF DEAN A. OSTLIE

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

DEAN A. OSTLIE, being duly sworn, deposes and says as follows:

I received a Bachelor's Degree in Chemistry from St. Olaf College, Minnesota, in 1953, and received the degree of Doctor of Philosophy in organic chemistry from the University of Minnesota in 1957. In 1957 I accepted employment in the Duplicating Products Laboratory of Minnesota Mining and Manufacturing Company as a research chemist in which capacity I was engaged in research relating to imaging chemistry until 1962 when I transferred to the Paper Products division of that company.

I am presently employed as Research Manager for the Paper Products Division of Minnesota Mining and Manufacturing Company, a position I have held since 1966. Prior to that time I was Senior Research Chemist in the Paper Products Division, a position which I had held since 1962. From 1962 until the present a large part of my time has been concentrated on the making of microcapsules and particularly on the making of microcapsules

having shells of ureaformaldehyde and fills of organic liquid not miscible with water, i.e., oily liquids.

I am familiar with Macaulay patent No. 3,016,308 and, under my direction and control, microcapsules having urea formaldehyde condensation polymer shells and oily liquid fills have been made in accordance with the procedure described in this patent. Summarizing the results of these tests I have found that urea formaldehyde capsules made following the teachings of Macaulay (a) do not provide capsules of sufficient strength of impermeability to prevent premature color formation from reactive fills containing dye precursor therein when capsules containing such fills are contiguous to coreactant materials for the dye precursor material and (b) are not sufficiently impermeable to retain volatile oily fills for any length of time therein.

The Macaulay patent teaches the formation of microscopic capsules "by first producing a stable emulsion having as a continuous phase the film-former material which is capable of forming the shell of the capsule" (column 4, lines 35-58), the emulsion being produced "by placing the two mutually insoluble liquids in a blender or emulsifier and by agitation producing a stable emulsion with droplets of marking fluid of the desired particle size. . ." (column 4, lines 44-48). Only Example IV at column 9, lines 17-45 of the Macaulay patent, sets forth any method for producing urea formaldehyde shelled capsules.

Following the teaching of Macaulay's Example IV, capsule preparations were made as follows:

1. 150 parts of a mixture of 10% "Arochlor 1242" (a polychlorinated diphenyl quite similar to "Arochlor 1248" but being clear and slightly less

viscous) and 90% light mineral oil containing 22.5 parts of carbon black was emulsified into

2. 75 parts of an aqueous solution of water-soluble urea formaldehyde resin ("Urac 180", 66% solids, marketed by American Cyanamid), and

3. 2.5 parts of extra low viscosity (12-15 cps. in a 2% aqueous solution at 25°C.) carboxymethyl-cellulose in 175 parts of water.

The emulsion was produced by agitating the mixture in a Waring blender until a relatively constant droplet size of the oil liquid fill material (the mineral oil-Arochlor-carbon black) was obtained. "Uformite 400" is no longer available in the market place and the "Urac 180" was substituted therefor as it appeared to be quite similar thereto. The "Arochlor 1242" differs from "Arochlor 1248" in only minor respects not germane to its ability to be encapsulated under the Macaulay procedure and is thus the equivalent. There were thus 2.5 grams of emulsifier for each 50 grams, dry weight, of urea and formaldehyde prepolymer, or about 5% emulsifier based on the dry prepolymer.

The resulting stable emulsion was poured into 600 parts of water while continuing rapid agitation and sufficient concentrated hydrochloric acid was added to produce condensation and precipitation of the urea formaldehyde resin. The resulting mixture was agitated for 5 minutes following acid addition, filtered and the filter cake washed with water and acetone and then agitated with toluene to remove the remaining free oily liquid. The mixture was again filtered, the filter cake air dried and subjected to further drying at 105°C. A dry free flowing powder was obtained which under microscopic examination was found to contain microscopic

capsules in a size ranging from about 5 to 25 microns. Upon the application of pressure, the capsules ruptured, and black oil was excuded [sic]. Because the particular fill used is non-volatile and relatively viscous, the physical properties of the capsules are not readily observable. Consequently, further runs were made using different capsule fills.

Because Macaulay Example IV is silent on the amount of acid added, duplications of the example were made varying the amount of acid to provide solutions having pH values of 1, 2.5 and 4.0 respectively. Since greater polymer precipitation appeared to occur at the lower pH values of 1 and 2.5, these were selected as the preferred values for subsequent work.

Except where otherwise stated, the formulations and method of emulsifying used in the runs following were those of Example IV of Macaulay. The first set of runs was designed to ascertain the suitability for use of the capsules made by the Macaulay process in an impact marking copy paper of the kind described, for example, in Example 18 at page 33 of the Matson application Serial No. 567,723.

Run A

Sufficient acid catalyst was added to provide a solution pH of 1. Instead of the mineral oil-carbon black-Arochlor fill of Example IV, 150 grams of a volatile organic fill containing a dye precursor adapted to form a colored image upon reaction with a coreactant in a pressure-sensitive copy paper was substituted, the dye precursor containing oily liquid fill having the following composition:

<i>Material</i>	<i>Weight %</i>
Cyclohexane	64.5
Diethyl phthalate	15
Tri-butyl phosphate	15
N,N'-bis (2-octanoyloxyethyl) dithiooxamide	4
N,Nbis (dibenzyl) dithiooxamide	1.5

Since it was noticed in the duplication of Macaulay's Example IV that the acetone washing and subsequent toluene agitation extracted most of the fill from the capsules, the capsules made in this run as well as the runs following were made following the procedure of Macaulay Example IV except that the acetone washing and toluene agitation steps were eliminated. (Apparently the acetone caused fill to leach out of the capsules and thus this procedure was abandoned as being unpractical.) In the present run after the capsules were made, the capsule containing slurry was simply neutralized by the addition of NaOH thereto to avoid the steps of filtering and reslurrying. This is the same procedure that was followed in the subsequent runs.

The neutralized capsule slurry was then added to a paper furnish to form paper sheets which mark upon impact (pressure sensitive marking). The furnish had the following basic composition:

<i>Material</i>	<i>Dry Weight %</i>
Pulp	100
Urea formaldehyde capsules (about 20 - 30 microns average diameter)	15
Nickel sulfate hexahydrate	4
Sodium rosinate	8

635 ml. of the pulp at 1.57% solids was diluted with 1365 ml. of water. To this was added in succession (1) 6 ml. of capsule slurry (25% capsules), (2) 4 ml. of 10% $\text{NiSO}_4 \cdot 6\text{H}_2\text{O}$ and (3) 8 ml. of 10% sodium rosinat. Handsheets were then made by diluting each 400 ml. of this slurry to 3300 ml. in a Williams 8 x 8 in. handsheet mold and the sheet formed on a 100 mesh wire; the sheet was pressed between dry blotters at 50 psi. for 5 minutes, the blotters removed and the sheet dried on a polished hot can drier at 220° F. until dry to provide a handsheet of about 30 pounds basis weight—all as described at lines 1-24 of page 33 of Matson application Serial No. 567,723.

One of the sheets so formed is attached hereto as "Exhibit A". As can be seen, the paper sheet is badly discolored indicating that the capsule shells are too permeable to prevent reaction of the dye precursor liquid with the nickel rosinat coreactant formed in the solution. The color of the sheet is a fairly uniform blue gray background with randomly distributed opaque tiny blue dots thereon.

To ascertain whether or not an image could be formed on the sheet, the sheet was tested for imaging properties by placing it between a metal base plate and an air hammer propelled die 1" in diameter, the die being impacted against the sheet much in the manner of a trip hammer to rupture capsules in the circular area of the paper hit by the die face. As can be observed at the lower right hand corner of Exhibit A, no evidence of image-forming capability beyond the background of the sheet itself is found; however, the imprint of the die on the sheet can be readily observed at the lower right hand corner of the sheet.

Run B

This run was essentially the same as Run A except that the amount of fill was cut from 150 grams to 75 grams with the thought being that this would enable more shell to form around the fill droplets.

One of the sheets from this run is attached hereto as "Exhibit B". As can be observed, this sheet has a generally uniform grayish purple color and generally, except for this background, resembles the sheet comprising Exhibit A hereof. Exhibit B, like Exhibit A, failed to form an image when struck with the die. The imprint of the die is observable at the lower right hand corner of the sheet.

Run C

This run was essentially the same as Run A except that the solution after acid addition had a pH of 2.5 instead of 1.

A handsheet from this run is attached hereto as "Exhibit C". Its color is generally the same as Exhibit B except that the sheet contains also tiny opaque dark blue dots uniformly distributed thereon as well as several larger randomly distributed opaque blue dots. The sheet failed to image upon being hit with the die although the die imprint is clearly observable at the lower right hand corner of the sheet.

Run D

This run was the same as Run C except that the solution following acid addition had a pH of 4.

A handsheet from this run is attached hereto as "Exhibit D". It has a generally uniform gray color and

proved incapable of further image formation upon being struck with a die.

Run E

Run E was identical to Run A except that no carboxymethylcellulose was used in the run.

A handsheet made from this run is attached hereto as "Exhibit E". This sheet has a light gray background with randomly dispersed dark blue dots over its surface giving it a mottled appearance. No image formed upon impact with the die.

Run F

This run was identical to Run B (only 75 grams of fill) except that no carboxymethylcellulose was included in the solution.

A handsheet from this run is attached hereto as "Exhibit F". The sheet has a very very light gray background with blue dots over its surface giving it a mottled appearance. Upon being struck with the die, a very light lavender image formed as can be observed at the lower right hand corner of the sheet. The strength of the capsules is still much too low for useful applications.

From the foregoing runs, it is apparent that while elimination of the wetting agent enables the production of capsules free from some of the problems encountered in following the Macaulay teachings, the capsules still are not strong enough or impermeable enough for the normal uses to be expected in handling and using such capsules in making pressure-sensitive marking papers. Consequently, another series of runs was made to illustrate the detrimental nature of the use of an emulsifying agent in

procedures known to ordinarily produce urea formaldehyde capsules sufficiently strong and impermeable for use in making useful impact marking papers. In the series of runs following capsules were made generally following the procedures of Example 18 (without any salt addition) of the Matson application Serial No. 567,723 with the formulation amounts being scaled down from 300 gallons to the same order as those of Runs A through F preceding.

Run G

Handsheets were made from the capsule formulation and procedures of Example 18 of Matson Serial No. 567,723 in which carboxymethylcellulose had been included as an emulsifying agent for the capsule fill. The amount of carboxymethylcellulose used was 2 grams for about each 50 grams of urea formaldehyde solids, instead of the 2.5 grams of carboxymethylcellulose used by Macaulay for the same amount of urea formaldehyde solids.

One of the handsheets made by this procedure is attached hereto as "Exhibit G". This handsheet, as can be observed, is a light gray sheet with a generally light lavender hue created by a very large number of tiny opaque lavender dots; sprinkled at random throughout the sheet are larger dark blue opaque dots. The sheet was incapable of imaging after formation. The die imprint is, however, observable at the lower right hand center of the sheet.

Run H

This run was the same as Run G except that the amount of carboxymethylcellulose was cut to $\frac{2}{3}$ of a gram per 50 grams of urea formaldehyde.

A handsheet made from this run is attached hereto as "Exhibit H". The sheet is light gray in color with randomly spaced large and small blue dots. The sheet imaged upon being struck with the die to provide a light lavender disc.

Run K

This run was the same as Exhibit H except that no carboxymethylcellulose was used.

A handsheet made from this run is attached hereto as "Exhibit K". The sheet is white and the image formed thereon by the die is a deep lavender blue. It will be noted that there are four die imprints on this sheet and that there are four die imprints on the sheet forming Exhibit H. The standard die imprint (the one on the bottom) is made with the normal die force used on all the preceding samples. The remaining imprints are of heavier and lighter static pressures created against the die face by a hydraulic press to measure capsule strength. In each of Exhibits H and K the die imprint next to the bottom imprint represents the heaviest pressure and the two toward the top of each of these exhibits represents pressures progressively lighter than the normal pressure indicated by the bottom-most die impression. In Exhibit K the capsule strength is sufficient that most of them remain unbroken under the two lighter pressures whereas very little difference is observable under any of the pressures used in Exhibit H.

A number of other runs were made following the procedures of Runs G and H preceding wherein other emulsifying agents than carboxymethylcellulose were used. It was found that the results were as follows:

Using only 0.2 gram of octylphenoxypoly (ethyleneoxy) ethanol per 50 grams of urea formaldehyde precondensate resulted in a suspension which visually appeared to be a three phase mixture having few, if any, capsules upon acid addition. A handsheet made in accordance with the procedures described hereinbefore from this resultant mixture is attached as "Exhibit L"; it was incapable of image formation.

The addition of as little as 0.07 gram of $(C_8F_{17}SO_2N)C_2H_5(C_2H_4O)_3(C_3H_6O)_8$ per 50 grams of urea formaldehyde precondensate when added to the solution fill (being oil soluble) yielded capsules, which when incorporated into handsheets, were about like the handsheets of Exhibit H. One of these is attached hereto as "Exhibit M".

Capsules were made from solutions to which (a) 0.2 gram of the reaction product of sorbitol and ethylene oxide, (b) 0.2 gram of C_{18} sodium sulfonate, and (c) 0.3 gram of methylcellulose, had been added as emulsifying or wetting agents. The capsules resulting from these solutions were then incorporated into handsheets by the procedures described hereinbefore. One of each of these handsheets is attached hereto as "Exhibit H", "Exhibit O" and "Exhibit P", respectively. None was capable of image formation.

Where 0.6 gram of porkskin gelatin per 50 grams of urea formaldehyde precondensate was added to a capsule solution and the urea formaldehyde capsules made therefrom made into handsheets, the resulting sheets were incapable of imaging and resemble those of Exhibits A through C herewith; one of these handsheets is attached hereto as "Exhibit Q".

The use of other nonionic, anionic and cationic emulsifying or wetting agents yielded results similar to

these and clearly illustrate the extremely detrimental effect of any significant amount of emulsifying or wetting agent in the capsule forming solution.

To evaluate retention of volatile organic solvents, capsules were made in accordance with Example IV of Macaulay (except that the acetone and toluene washing steps, which removed solvent from the capsules, were eliminated) using cyclohexane as the volatile solvent (vapor pressure of 76.9 mm. of Hg. at 20°C.), and adding sufficient hydrochloric acid to provide a solution pH of 1. Capsules so prepared were then compared with capsules made in accordance with capsules containing approximately the same amount of cyclohexane prepared in accordance with Example 18 of Matson Serial No. 567,723. The modified Macaulay capsules and the Matson capsules were then compared for solvent loss.

First, each set of capsules was filtered and washed on the filter with water. The wet filter cakes were then divided into portions and dried in a forced air oven at 100°C. (a) for 1 hour, (b) for 2 hours and (c) for 45 hours. The fourth sample was air dried at ambient temperature, i.e. about 23°C., for 48 hours with gentle constant air movement thereacross. The results are in the table below.

<i>Type of Capsule</i>	<i>Theoretical Payload as a % of the total dry capsule wt.</i>	<i>Payload Remaining After</i>			
		<i>100°C. for 1 hr.</i>	<i>100°C. for 2 hrs.</i>	<i>100°C. for 45 hrs.</i>	<i>Air dry- ing for 48 hrs.</i>
Macaulay (1)	81	75.4	71	57	68
Macaulay (2)	67	-	-	-	-
Matson (1)	81	81	82	80.5	81.3
Matson (2)	67	65	66.5	65	64

The (1) and (2) runs noted represent 100 and 75 grams of fill respectively. The Macaulay runs represent the best and the worst of many runs made. Typically, however, after drying, the runs of Macaulay capsules incline toward a situation somewhat midway between the best situation and the worst, revealing an average fill loss of somewhat more than 50% of theoretical amount of fill. The Matson capsules, however, reveal a fairly constant pattern over a large number of runs. In fact, commercially produced capsules made in accordance with the teachings of Matson Serial No. 567,723 filled with cyclohexane solvent have retained substantially all of the theoretical fill payload for a period of three years as evidenced by their retention of unimpaired function in carbonless copy papers for this length of time.

Further deponent saith not.

/s/ Dean A. Ostlie

Dean A. Ostlie

**EXCERPTS FROM TRANSCRIPT OF
PROCEEDINGS OF MARCH 11, 1974**

[172] THE COURT: Before we have any discussion here, I just want to look at briefly [sic] we have the proceedings of November 15, 1973 and I want to look at the proceedings briefly. Mr. Ames, after we left here November 15th as I understood it, further interrogatories were going to be filed and answers and perhaps some depositions taken. What has occurred since that time?

MR. AMES: So far as further discovery, Moore has not

taken any further discovery. I listened to the words of your Honor and correctly or incorrectly I concluded that rather than merely assume a continued defensive posture on the motion for summary judgment still pending, that regardless of where the burden lay, that Moore had better take an affirmative form of defense and submit its own affidavits and this we have now done. We have submitted affidavits on the five issues of what we believe to be material facts now before the Court. We did this in the form of a motion to dismiss 3M's pending [173] motion for summary judgment. Those two affidavits are an affidavit of a Moore Chemist, a Mr. Swiercz who reproduced paper coated with microcapsules where the coating was made directly from a slurry and then where the paper was made by coating from a slurry that had previously been dried.

* * *

[177] THE COURT: Before we get to the merits I would like to ask you some questions about procedure, where we stand here. As I recall the last time we were here, and it seems to me the record reflects it, that there was a motion for summary judgment. There were a number of other motions but that was one of the motions that was made and as I understand it, Mr. Ames, at that time you resisted the granting of the motion because you said in order to properly prepare a response, we must have discovery and we must have interrogatories answered.

MR. AMES: Yes, your Honor.

THE COURT: That is the way we stood. So that I am clear, have you changed your mind or what is the status now of that business?

MR. AMES: I have altered that opinion to an [178] extent. I am looking over all the discovery I had asked. I thought perhaps at best, let's say that I might be able to

show that five per cent, just hypothetically, of 3M's type 200 paper had been made by a dry process, let us say. The motion for summary judgment which is really a motion for partial summary judgment anyway, would probably still continue, will probably still be heard by your Honor. Now, it has been my experience—

THE COURT: There is no reason at all,—the other motion was for a stay of discovery and as I remember, I said “No stay of discovery, go right ahead, take depositions, interrogatories and so forth and so on”.

MR. AMES: I had a considerable number of interrogatory and deposition questions that had been unanswered. There were approximately six motions.

THE COURT: I know we had a lot of discussion about that and as I understood it, and I thought there was agreement, that the best course to follow would be to go [179] back, take a look at the interrogatories and perhaps in a number of instances prepare new interrogatories either asking for different information or limiting the questions which were propounded.

MR. AMES: Yes. I think also the Court stated, and I was most impressed by it, you said “And you are in position to file an additional affidavit or affidavits to the motion for summary judgment”.

THE COURT: For summary judgment, all right. We will get to that in a minute.

MR. AMES: Right.

THE COURT: This case, as far as preparation of the lawsuit itself for trial, whatever the Court does here on the motion for summary judgment, still there has to be some deposition taking and interrogatories propounded and answered.

MR. AMES: Yes, your Honor.

THE COURT: I am a little puzzled. If that is the case when we were here, as Mr. Stephens,—not Mr. Stephens,—

Mr. Haight, Mr. Delahunt point out in their brief in opposition here, they say that although,—[180] you said well, one week will suffice, more than thirteen weeks have gone by and nothing has occurred. I mean if we are going to have to prepare the lawsuit why isn't this done?

MR. AMES: Perhaps I misunderstood your Honor. If the motion for summary judgment is granted, then I would hope there would be an immediate appeal. If the motion for summary judgment is denied, then there would have to be additional discovery with respect, for example, to the validity of the patent in suit.

THE COURT: All right. Let me ask you this now; we have here a motion for summary judgment and in which a number of affidavits, and then also they have included by reference depositions to the motion as part of their motion for summary judgment. That is correct, isn't it, Mr. Haight?

MR. HAIGHT: Yes, your Honor.

* * *

[188] THE COURT: The affidavit of Mr. Burns and the affidavit of Mr. Swiercz, and you urge me now at this time to decide the motion for summary judgment based upon these affidavits.

MR. AMES: Yes, your Honor. Of course, I will qualify that if you are going to disregard the Burns affidavit.

THE COURT: Burns, Swiercz and the affidavits of the defendants.

MR. AMES: Of course, I have seen nothing in the affidavits of 3M that go to these problems.

THE COURT: Please, Mr. Ames, we will give you a chance to talk about that because I know this is an important case, but what I am trying to find out now is what you want me to do and we will get to the Burns thing in a minute, but as far as your position last time, we come back to [189] that. You don't feel that there are

any further depositions needed or interrogatories needed or anything like that?

MR. AMES: I feel there are more depositions needed. I don't believe, frankly, and I am not trying to prolong this, believe me, your Honor. I feel there is really only one deposition that would really be pertinent. I don't sincerely believe that as the respondent on a motion for summary judgment, and I have thought it over quite carefully, that I would be doing a service to Moore Business Forms by taking it myself. That is the deposition of the patent office examiner who allowed this application. Now, it is the position of Moore that at least as to the claims other than the process claims, as to the product capsule claim, as to the paper claim, that they were allowed not because of anything to do with free-flowing powder, but because the composition of the microcapsules was markedly different from the composition of the Green microcapsules.

* * *

[196] MR. HANIFIN: Your Honor, if I understood your decision correctly, there were at least three alternatives encompassed within it, and one of them was the deposition of the patent examiner. The second part of [197] it was the opportunity to file additional affidavits if that appeared appropriate and the third, I have forgotten what it was, but there was a third one.

THE COURT: To stand—

MR. HANIFIN: Just to stand on what we have got and let the decision go on the basis of what is already filed, and as I understood your Honor further, if a decision were[sic] taken to take the deposition of the patent examiner, it would be done within thirty days. If a decision were[sic] made to file additional affidavits, that would be filed within thirty days. If we were prepared to stand on what is now before your Honor and we wanted the oppor-

tunity to persuade your Honor that the Burns affidavit should be considered, then you would like to hear that within two weeks, so I don't really,—I don't think it is quite appropriate to say that a decision should be made here and now on which of those alternatives we want to take.

THE COURT: Perhaps you can, Mr. Ames. I don't [198] know, but maybe you cannot.

MR. AMES: Well, I know, your Honor, that I would like the opportunity to show your Honor that Mr. Burns' affidavit should be considered. Now, believe it or not, there are men who earn a living as patent experts. They do nothing but expert patent cases and not as art experts, but as experts on patent office procedure.

THE COURT: Do you mean in testifying before a court?

MR. AMES: Yes, yes, and Mr. Haight knows of some too.

MR. HAIGHT: I will say that "Yes, there are lawyers who testify on patent matters, on questions of law, even on construction of claims", which is purely a legal matter for the court. Patent lawyers have been called upon to do that and they have. Here, however, we do have a situation, and I might say that is the reason I said we don't object to your Honor reading that Burns affidavit. We say it is no more than another brief in this situation, the reason being that here we have the [199] special situation of a motion for summary judgment and we have to have affidavits of fact and he doesn't state any facts, but we don't object to your Honor knowing Mr. Burns' opinions.

THE COURT: Of course, I would consider the Burns—

MR. HAIGHT: Affidavit.

THE COURT: Statement, affidavit, and as far as his qualifications, I guess you don't object to that. You just

say it misses the mark.

MR. HAIGHT: That is correct. I don't know him but he sounds impressive.

THE COURT: As I pointed out before, his notary has a gold seal.

MR. HAIGHT: Well, I think there is one thing. I have a little bit of a feeling of sympathy for my opponent on one aspect of the affidavit and that is where he traces the history of the claims.

MR. AMES: Yes.

MR. HAIGHT: Now, if you didn't have the Burns affidavit, that you would have put in your brief.

[200] MR. AMES: Certain advocate lawyers trace the history of claims in different manners.

MR. HAIGHT: I can trace them just as well as Mr. Burns and so can you, but it happens that in his affidavit, and I think that if I were you I would feel can't that portion be read.

MR. AMES: Mr. Haight, do you agree then with Mr. Burns' tracing of the history of the claim as he did in his affidavit?

MR. HAIGHT: I don't recall anyplace I disagree but I don't agree with his conclusion.

MR. AMES: Fine.

MR. HAIGHT: And I don't agree that you have to, and in this case you should trace the history the way he did, but I do believe it was accurate tracing of the history. That is a question, your Honor, of two types of file wrapper estoppels.

* * *

[203] THE COURT: Mr. Ames, what I don't want to do is have you come back in here and you can foresee right now that there is something you ought to do and we have a long argument [204] and then you say "Well,

Judge, I want to now file affidavits of Smith, Jones and Brown."

MR. AMES: Well, when your Honor tells me that my principal affidavit will not be given any consideration I think you put me in a completely different position from when I walked in here.

THE COURT: With Mr. Haight's suggestions here, we will consider it.

MR. AMES: I will be happy to show your Honor case after case. In fact, Mr. Burns has—

THE COURT: We will consider it but what I am trying to do is bring this thing to a situation where it is submitted and I don't want you to expect now that you are going to come in here two weeks from today or three weeks from today and bring in some more affidavits.

MR. AMES: I certainly hadn't planned on doing that, your Honor. I am a little worried now about your Honor's statements with respect to the Burns affidavit.

* * *

[205] THE COURT: I think that is the way to proceed. Today is March 11th. Any further affidavits that you want to supply, do it not later than March 25th and then we will hear oral arguments. Would April 8th, Monday afternoon, April the 8th, would that be agreeable?

MR. AMES: Yes.

MR. HAIGHT: That is fine, your Honor.

EXCERPTS FROM TRANSCRIPT OF
DEPOSITION OF JAMES C. CUSTER

[4] Q. Now, in 1969, when you were first employed by 3-M, what was your title and what were your duties?

A. I was employed as an engineering specialist. Later became operations, production operations manager, and then plant manager.

Q. And are you presently plant manager? A. Plant manager, right.

Q. Of what plant, sir? A. Hartford City, Indiana.

* * *

[45] EXAM. BY MR. HAIGHT:

Q. At anytime during the entire process of manufacture of the Type 200 paper, or the testing of it and its components from the time the image and scuff capsules are formed until they are coated on the paper, are the capsules ever a free-flowing powder? A. The answer is "No".

MR. HAIGHT: That's all.

MR. AMES: Well, I have a little re-direct.

RE-DIRECT EXAMINATION BY MR. AMES:

Q. That included testing, is that correct? A. That's correct.

Q. I would like to know then how you test the coating solution and the capsules, the image capsules? A. For what property?

Q. For any property? Do you test the capsules in its solution form? In other words, frankly, sir, I understand that answer to be in direct contradiction to some Interrogatory answers that said that you do dry it to a free-flowing capsule when you test it?

* * *

[46] WITNESS: Let me speak to that one test procedure that you brought up where it is dried out. When it is dried out, it is not a free-flowing powder.

MR. AMES:

Q. What form is it? A. It is a dried cake.

Q. A dried cake? A. Yes.

Q. And you don't consider it, a dry cake, a free-flowing powder? A. No, sir.

Q. What is the difference between a dried cake and dry free-flowing powder? A. Free-flowing powder would be pourable. A dried cake is a chunk.

Q. And a glomerate of capsules, is that correct? A. No, it is a dried cake.

Q. Well, I am trying to find out what a cake is. A. A piece of cheese.

Q. You mean it has the consistency of a piece of cheese? A. No. Well, old cheese, hard.

Q. Crumbly? A. No.

[47] Q. Can you make a free-flowing powder out of a cake by subdividing it? A. All I can say is, not easily. I suppose you could crush it up with a set of rollers and grind it up, but not easily.

Q. What do you do with a dried cake? A. Throw it away.

Q. Well, do you test it at all? A. Oh, you weigh it and throw it away.

Q. From your expertise, sir, what would be the function of a dry free-flowing powder of image capsules on a paper web? A. It would have no function at all that I know of.

Q. Because it would fall off? A. I assume it would.

**EXCERPTS FROM TRANSCRIPT OF
PROCEEDINGS OF APRIL 8, 1974**

[250] THE COURT: This is the tab 8?

MR. AMES: Yes. I assiduously avoid that book, but let me just tell you the reason I do it, I avoid it is because I didn't see an affidavit that says "This is not the best evidence".

THE COURT: Come, Mr. Ames, how can we get to summary judgment? I thought you agreed to all this business here?

MR. AMES: To this document book?

THE COURT: Don't you consider this as part of the record before the Court?

MR. AMES: I do not know that it corresponds to the original documents.

THE COURT: Now, Mr. Ames, for heaven's sake.

MR. AMES: If counsel is willing to get up and swear that he compared everything in there.

THE COURT: How can you wait until,—this was [251] filed last September and now you are going to say,—now that we have been hashing this around for several months—

MR. AMES: I have said it with Mr. Halpern's permission twice before. The last time I said it I think was in my reply brief. I have a footnote in my reply brief, footnote 2 on Page 2 of the reply brief.

THE COURT: This was referred to in your reply brief, wasn't it?

MR. DELAHUNT: Yes, your Honor.

THE COURT: We have nothing to the contrary ever in writing which is in affidavit form to indicate in any way that this is not correct.

MR. AMES: Is the burden on me to review that huge

book word for word and find it to be precise copy of the original or is the burden on the one submitting that document book?

THE COURT: I think he swore to it.

MR. AMES: He did swear to it? I'm sorry. Then I apologize. I didn't realize it was sworn to as being precise copies of the original. Is it, sir?

[252] MR. DELAHUNT: My affidavit is there, Mr. Ames. It is tab 8, I believe.

MR. AMES: I see. You yourself have reviewed everything in the book?

MR. DELAHUNT: It is my affidavit.

THE COURT: He says "Annexed hereto as Exhibit A is a copy of the Macaulay Patent in suit", and then he goes on and describes the other attachments.

MR. AMES: All right. If Mr. Delahunt himself has reviewed all the documents to make sure that they conform to the originals, then I would have no objection, but let's go to the Macaulay Patent anyway, whatever tab it is.

DECISION AND ORDER
FILED JULY 2, 1974

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

MOORE BUSINESS FORMS, INC.
900 Buffalo Avenue
Niagara Falls, New York 14302,

Plaintiff

-vs-

Civil 1972-47

MINNESOTA MINING AND MANUFACTURING
COMPANY
3389 Harlem Road
Cheektowaga, New York,

Defendant

* * *

[Appearances]

* * *

Presently pending before the court is defendant's motion for summary judgment. Also pending are a number of motions by plaintiff to compel answers to interrogatories and a motion by defendant to stay discovery pending this court's decision on the motion for summary judgment. When the court first heard oral argument on these motions on August 2, 1973, the plaintiff represented that it could not answer defendant's motion for summary judgment because more discovery was needed. Since plaintiff had three motions to compel discovery pending, none of which had been answered by

defendant, the court directed defendant to answer, brief the issues of law and return again for reargument.

On November 15, 1973 the parties returned and the court heard oral argument on the summary judgment motion and on the discovery motions. After counsel and the court discussed plaintiff's interrogatories and defendant's objections, the plaintiff agreed that many of its interrogatories were too broad and should be rephrased. Counsel for the defendant agreed that if the interrogatories were rephrased and narrowed, he would make a new attempt to provide plaintiff with the requested information. Because plaintiff argued that it could not answer defendant's motion for summary judgment without further discovery, the court withheld ruling on that motion to give plaintiff an opportunity to narrow its interrogatories and to proceed with discovery. At that time, counsel for plaintiff promised to file the modified interrogatories within one week.

On February 26, 1974 plaintiff filed a motion entitled "Motion to Dismiss Pending Motion for Summary Judgment" with affidavits of Robert E. Burns, a patent attorney, and William D. Swiercz, a research chemist with Moore Business Forms, attached. Plaintiff requested an argument because its discovery had "virtually ceased since the bringing of the motion for summary judgment by defendant on July 2, 1973. . . ." When the court heard argument on plaintiff's motion on March 11, 1974, it was difficult to determine plaintiff's position. Although plaintiff previously represented to the court that it could not answer defendant's motion for summary judgment without further discovery and, on November 15, 1973, had agreed to narrow its interrogatories, plaintiff had not prepared the rephrased interrogatories. In fact, plaintiff had not attempted to secure any additional discovery

between the court appearance of November 15, 1973 and that of March 11, 1974.

Considering this background, it appeared that plaintiff agreed that the motion for summary judgment was ripe for decision. However, to be certain that this was the case, at the March 11 argument the court asked plaintiff if it had submitted all it intended to submit in opposition to defendant's motion for summary judgment. Plaintiff responded that it might want to take the deposition of the patent examiner to explain the history and meaning of the Macaulay patent and agreed that by March 25, 1974 it would take one of three courses of action: First, to depose the patent examiner; secondly, to file additional affidavits in response to the motion for summary judgment, or thirdly, to stand on what had already been submitted. Instead of taking any one of these three steps, however, plaintiff, on March 19, 1974, noticed and took the deposition of James Custer, manager of the Nekoosa, Wisconsin plant of defendant. Plaintiff also filed additional interrogatories, a motion to compel production of certain manuals identified during the deposition of James Custer, a request for further answers to previously filed interrogatories and three briefs. On April 8, 1974 the court heard final arguments on defendant's motion for summary judgment.

Plaintiff's complaint alleges that defendant infringes its patent entitled "Recording Paper Coated with Microscopic Capsules of Coloring Material, Capsules and Method of Making" [Patent No. 3,016,308 issued on January 9, 1962, hereinafter the Macaulay Patent]. Defendant has denied infringement and challenges the validity and enforceability of the Macaulay patent. The court here notes that defendant has been producing carbonless paper by the process alleged here to infringe

since 1962 and, over the years, has sold enormous quantities of that material to plaintiff. No legal action was taken by plaintiff until January of 1972, when this suit was filed.

Defendant's motion for summary judgment is based upon defendant's allegation that the Macaulay patent refers only to a process of producing microcapsules as a substantially dry, free-flowing powder, while the microcapsules produced for defendant's Type 200 paper, the product alleged to infringe, are produced and at all times handled in aqueous slurry form. This motion is concerned only with the Type 200 paper. Defendant states that at no time can its microcapsules be characterized as a free-flowing powder, and further contends that file wrapper estoppel precludes plaintiff from now arguing that producing microcapsules as a free-flowing powder is equivalent to producing them in aqueous slurry.

In support of the motion, defendant filed an affidavit of Dr. Dean A. Ostlie, Research Manager in defendant's paper products division, and an affidavit of Stanley G. DeLaHunt, counsel for defendant. Attached to these affidavits are copies of depositions, including those of Dr. Ostlie and Dr. Macaulay, copies of patents belonging to defendant, copies of answers to interrogatories, and a copy of the proceedings in the United States Patent Office upon which the Macaulay patent was granted [hereinafter file wrapper]. In opposition to that motion, plaintiff has submitted an affidavit of William D. Swiercz, Research Chemist in the Process Engineering Group of the Research Department of Moore Business Forms, Inc., and an affidavit of Robert E. Burns, a patent attorney.

The affidavit of Dr. Ostlie, dated June 29, 1973, states that defendant Minnesota Mining and Manufacturing Company manufactures and markets carbonless paper

products designated as carbonless paper, Type 100, and carbonless paper, Type 200. In the case of the Type 200, paper microscopic capsules containing an imaging fluid are coated on the surface of the paper. In the case of carbonless paper Type 100, microscopic capsules containing imaging fluid are combined within the paper itself. With each type of paper, when the sheets are impacted by a writing instrument the microscopic capsules are ruptured in the impacted areas, releasing the fluid, which reacts with other components to form an image in the impacted area. Because the capsules in Type 100 paper containing the imaging fluid combine with the other component to form an image within the paper matrix itself, the Type 100 paper does not need the presence of another sheet or companion structure to form an image.

However, with carbonless paper Type 200, two or more sheets are needed to create the image because the microcapsules in the Type 200 paper containing the imaging fluid are coated on the back of a sheet and the component with which the fluid reacts on release, through impacting of the capsules, is contained on the front surface of the underlying sheet. When the two sheets are together and impact occurs, an image is formed on the underlying sheet. The capsule layer in the Type 200 paper contains, in addition to the imaging microcapsules, a small quantity of relatively larger scuff microcapsules which serve as spacers to minimize contact between adjoining sheets in the Type 200 system, in order to avoid premature or inadvertent images.

Only three types of microcapsules are employed by defendant in the manufacture of carbonless paper. These are the imaging capsules employed in the Type 100 carbonless paper, the imaging capsules employed in the Type 200 paper and the larger scuff capsules employed in

the Type 200 paper. All the microcapsules employed in defendant's commercial carbonless papers are formed in aqueous slurry, which slurry is of a pumpable consistency and contains more than one-half water. "While over the years there have been some slight changes in ingredients, amounts of ingredients and process conditions, at no time since the inception of 3M's carbonless paper products have these differences led to the formation of microcapsules other than in an aqueous slurry of pumpable consistency containing more than one-half water." (Ostlie affidavit of June 29, 1973, at 4.)

In the manufacture of the Type 200 carbonless paper, the aqueous slurry of imaging capsules is dumped into a tank and blended with the aqueous slurry of scuff capsules and this solution is then coated onto the paper. The Type 100 paper is made by mixing the aqueous slurry of capsules into the paper-making machine, blending it with the paper fibers and other ingredients. In any transportation or other steps taken in the manufacture prior to the final product formation, the microcapsules are handled as a slurry, always containing more than one-half water. This has been true since the beginning of 3M's manufacture of all its commercial carbonless papers. At no point from the formation of microcapsules to the production and packaging of the carbonless paper products can the microcapsules employed in any carbonless paper product of defendant be characterized as a "free flowing powder."

In response to the affidavit of Dr. Ostlie, plaintiff has provided the affidavit of William D. Swiercz, a Research Chemist in the Process Engineering Group of the Research Department of Moore Business Forms, Inc. The Swiercz affidavit documents two experiments, both of which vary the conditions of Example 4 of the Macaulay

patent found in column 9, lines 19 through 45. Through these experiments Swiercz attempts to show that the microcapsules he produces in the form of an aqueous solution and the microcapsules he produces in the form of a powder are equivalent. The Swiercz affidavit does not attempt to show equivalency with respect to the microcapsules alleged to be here infringing. No tests have been conducted on any of the alleged infringing carbonless papers. The affidavit of Mr. Burns contains his opinion that there is no file wrapper estoppel which precludes or restricts application of the doctrine of equivalence in considering infringement of patent claims by the defendant. The court considers this affidavit as legal argument only.

The court is aware of the caution usually exercised in granting a motion for summary judgment in patent cases. When, however, there are no material fact issues, and when expert testimony is not needed to explain the prior art and the patent claims, summary judgment has been found to be appropriate. See *Vermont Structural Slate Co. v. Tatko Bros. Slate Co.*, 233 F.2d 9 (2d Cir. 1956).

Moore's Macaulay patent "relates to a novel product comprising a substantially dry free-flowing powder of microscopic discrete capsules, to the process of producing said product, and to a pressure-sensitive record or copying material having a transfer coating of said microscopic discrete capsules on at least a portion of one surface thereof." (Macaulay patent, column 1, lines 1 through 6.) The written description of the Macaulay patent continues by distinguishing the process of Macaulay from the work described in a "Green" patent (United States Patent No. 2,712,507, issued on July 5, 1955).

The Green patent describes a process for making microcapsules in an aqueous system. In that aqueous

system the material that forms the walls of the microcapsules is the same as that of the coatings on the paper into which the marking fluid is dispersed. The Macaulay patent states that the use of aqueous coating systems is a serious disadvantage because it requires that special grades of generally more expensive paper be used and, even with the special grades of paper, often buckling, distortion and warping results. Additionally, aqueous coatings are generally not suitable for application to limited areas of one side of a sheet of paper. Generally, they are suitable only for application to the entire side of a sheet of paper.

The description of the Macaulay patent states that it is the object of the Macaulay patent to provide a process for producing substantially dry, free-flowing powder of microscopic discrete capsules of marking fluid which may be applied to paper. It is also an object of the Macaulay patent to apply these microscopic capsules by means of a carrier or binder which is of a different material from that of the walls of the capsules. The obvious thrust of the description of the Macaulay patent is to distinguish the process described in the Macaulay patent from the prior art as described in the Green patent. In the Green patent, microscopic capsules must be produced in an aqueous solution. In order to eliminate some of the disadvantages of producing microcapsules in an aqueous solution, the Macaulay patent describes the process of producing microcapsules by spray-drying the component materials. While in the Green patent the walls of the capsule are produced in the aqueous solution, in the Macaulay patent the walls are produced when the component chemical materials are spray-dried. In the Macaulay patent it is explained that once the capsules are

produced as a dry, free-flowing powder they may be washed with a solvent, air dried again and stored for use. By looking at the claims of the Macaulay patent, there can be no doubt that it is essential to the Macaulay process of producing microscopic capsules that they be produced by drying the component materials into a free-flowing powder. Each of the claims of the Macaulay patent calls for or depends upon a free-flowing powder of microscopic capsules. The claims that defendant is charged to infringe, claims 8, 11, 12, 13, 16, 17, 22, 23, 24, 25, 26, 27, 28 and 29, are all either directed to or defined by a process for producing a free-flowing powder. No claim of the Macaulay patent includes microscopic capsules formed in an aqueous system.

Plaintiff argues that the process defendant uses to produce microcapsules in aqueous slurry is equivalent to the process of producing dry microcapsules as described in the Macaulay patent. The doctrine of equivalence states that there is direct infringement of a patent claim if the accused device performs substantially the same function in substantially the same way to obtain the same result. *Sanitary Refrigerator Co. v. Winters*, 280 U.S. 30 (1929). See also *Graver Tank and Manufacturing Co. v. Linde Air Products Co.*, 339 U.S. 605, 608 (1950). Generally, equivalence is a question of fact. However, no genuine issue of fact is presented if it appears from the patent claims, specifications, drawings and file wrapper that extrinsic evidence in the form of testimony from those persons ordinarily skilled in the pertinent art is not needed to explain terms of art or for evaluation of prior art, or the resolved questions of the application of descriptions to the accused subject matter. Thus, if equivalency can be determined by a comparison of the accused device and the patent claims, equivalency is a

matter of law for the court. See *Sanitary Refrigerator Co.*, *supra*, 280 U.S. at 36; *Duplan Corp. v. Deering Milliken, Inc.*, No. 71-306 (D. S.C., Nov. 14, 1973).

Defendant argues that plaintiff is estopped from asserting equivalency because of the doctrine of file wrapper estoppel. The doctrine states that if a patent applicant, after being refused a patent, amends his application to narrow the scope of his claims in order to obtain a patent, he cannot later charge direct infringement against a device which falls within the scope of the disclaimed or abandoned subject matter. See *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 136-37 (1942).

The patent here in suit was issued on January 9, 1962. Prior to the grant of said patent, the application had been rejected by the examiner on three separate occasions, namely, on November 12, 1957, on December 10, 1958 and on March 3, 1968. The first rejection by the patent office on November 12, 1957 stated that the claims presented to the examiner were unpatentable over a number of prior United States patents. Particularly noted were the Green patents 1, 2 and 3, granted on July 5, 1955 (No. 2,712,507), July 23, 1957 (No. 2,800,457), and July 23, 1957 (No. 2,800,458). As previously discussed, the Green patent referred to a process of manufacturing microcapsules in an aqueous solution. In rejecting the Macaulay application, the patent examiner reasoned that the Green patents related to methods of producing free-flowing powders of the type claimed in the Macaulay application. The examiner stated that in the Green process the capsules may be formed in free-flowing form by spray-drying them.

In Macaulay's first revision of his patent application, submitted on June 9, 1958, the thrust of his amendment

was to distinguish the Macaulay process of producing dry capsules from the Green process of producing capsules in an aqueous solution. In Macaulay's first amendment he states:

When Green spray dries his dispersion he is only drying a product which already contains previously formed existing microscopic capsules. Thus, Green's spray drying constitutes merely removal of the water from the dispersion. Thus, in substance, the applicant employs *evaporation forces*, for example, in a spray drier, to form the encapsulating shell and dry powder of his microscopic capsules. Green does not use a spray drier or evaporation to form a shell, since his shell and the capsules have already been formed in the aqueous dispersion.

(Exhibit G at 51, appended to defendant's motion for summary judgment filed July 6, 1973.)¹

The explanation of the revision of Claim 22 explains the difference in the applicant's process of producing microcapsules in dry form from Green's process of producing microcapsules in aqueous dispersion. It states:

The claim next defines the particularly unique feature of the applicant's invention which constitutes forming the shell directly by evaporation forces on the solvent of a film-former solution which comprises the continuous phase of suspended minute particles of an emulsion, the discontinuous phase of which emulsion comprises the liquid droplets. This claim clearly distinguishes over the Green patents which teach a product in which spray drying is employed only to dry the aqueous phase of a dispersion which contains previously existing capsules. (File wrapper at 52.)

Similarly, the explanation of the revised Claim 11 on page 54 of the file wrapper states that Claim 11 was "amended to specify that the evaporation is achieved by use of a spray drier (not merely drying a *dispersion of previously formed capsules* as in the Green patents)."

When this amended application was rejected on December 10, 1958, the patent examiner gave as a reason Macaulay's failure to distinguish his process of producing free-flowing powders from the Green process of producing microcapsules in aqueous dispersions.

On June 4, 1959, Macaulay again revised his application. Quoting from the written explanation contained in the revised application:

Reconsideration is respectfully requested of the rejection of Claims 14-20 as being unpatentable over Green (2). These claims have now been amended to refer back to new capsule Claim 36, which defines the capsules in terms of structure as suggested by the Examiner. The applicant recognizes that he is not the first to apply a marking capsule to a copying sheet, but he is the first one to provide a copying sheet having his unique microscopic discrete rupturable capsules affixed to it. The resulting copy sheets possess significant advantages over the sheets of the Green patent. The Green patent requires the preparation of capsules in the form of aqueous dispersions and it is this aqueous dispersion which the patentee applies to the paper. This technique possesses many disadvantages, including the tendency of water to corrugate the paper and cause it to buckle and warp, even though specially prepared expensive paper is employed. The applicant's capsules on the other hand, are obtained as a free-flowing dry powder and can be applied in a number

of binders which are not aqueous and, therefore, do not buckle, warp, or corrugate the paper. This is much more than an obvious expedient as suggested by the Examiner. The use of a non-aqueous binder is just not feasible with the teachings of the Green patent, yet in the case of applicant's invention it is not only feasible, but preferred.

(File wrapper at 74-75.)

The application continues:

The Green patent is concerned with the process involving "coacervation" along with gellation treatment whereby he forms an aqueous dispersion of substantially completely formed capsules. When Green spray-dries this aqueous dispersion, he is drying and removing only the dispersing water. Thus in Green's spray-drying, only the water of dispersion is removed. On the other hand, when the applicant employs evaporation forces as provided by a spray-drier, he is forming both the encapsulating shell and the dry powder of his microscopic capsules at the same time.

(File wrapper at 75.)

This second amendment and third application was again rejected by the patent examiner, citing the Green patent as being a non-patentable variation over the previous art. Since this rejection was made final, Macaulay appealed the Examiner's action to the Board of Appeals of the United States Patent Office. In his appeal the applicant repeated the arguments made before the patent examiner, attempting to distinguish his process of producing substantially dry microcapsules from the previous art. Quoting from his brief:

In the Green process, the capsules are already

formed and the shells hardened by the combined "coacervation" and gellation treatment to form an aqueous dispersion of formed capsules. When Green spray dries this dispersion he is only drying a product which already contains previously formed existing microscopic capsules. Thus, Green's spray drying constitutes merely removal of the water from the dispersion. Thus, in substance, the appellant employs evaporation forces, for example, in a spray drier, to form the encapsulating shell and dry powder of his microscopic capsules. Green does not use a spray drier or evaporation to form a shell, since his shell and the capsules have already been formed in the aqueous dispersion.

(File wrapper at 97.)

Macaulay was granted patent protection on this appeal. The court finds, on the basis of the information contained in the file wrapper, that the entire thrust of the patent applicant's two revisions was to distinguish his process of producing microcapsules as a free-flowing powder from the process of producing microcapsules in aqueous dispersions. The conclusion seems inescapable that the patent office granted the Macaulay patent with the limitation that the process patented was the process of producing microcapsules by spray-drying. It is clear from the proceedings before the patent examiner that the applicant intended to distinguish the process by which the shell wall is produced by drying from the process of producing the shell wall in aqueous dispersion. The affidavit of Dean A. Ostlie previously referred to, which explains that defendant forms its microcapsules in an aqueous slurry and keeps them in that form throughout production, is uncontroverted by plaintiff. The affidavits

and exhibits produced by plaintiff, including the affidavit of William D. Swiercz, fail to bring any facts to bear upon defendant's motion.

The court finds that plaintiff is precluded, because of file wrapper estoppel, from attempting to show as it does in the Swiercz affidavit that producing microcapsules is aqueous dispersions is equivalent to producing microcapsules as a free-flowing powder. The court concludes that the Swiercz affidavit presents no genuine issue of fact on the question of defendant's Type 200 brand carbonless paper infringing the Macaulay patent in suit. Defendant's motion for summary judgment on the grounds that its manufacture, use and sale of its 3M brand carbonless paper, Type 200, does not infringe the Macaulay patent in suit is granted.

So ordered.

JOHN T. CURTIN
United States District Judge

DATED: July 1, 1974

¹ All references to the file wrapper are references to Exhibit G of plaintiff's motion for summary judgment filed July 6, 1973.

UNITED STATES DISTRICT COURT

FOR THE

WESTERN DISTRICT OF NEW YORK

Civil Action File No. Civ-1972-47

MOORE BUSINESS FORMS, INC.

vs.

MINNESOTA MINING AND
MANUFACTURING COMPANY

JUDGMENT

This action came on for (hearing) before the Court, Honorable John T. Curtin, United States District Judge, presiding, and the issues having been duly (heard) and a decision having been duly rendered,

It is Ordered and Adjudged that defendant's manufacture, use and sale of its 3M brand carbonless paper, Type 200, does not infringe plaintiff's patent.

Dated at Buffalo, New York, this 2nd day of July, 1974.

JOHN K. ADAMS

Clerk of Court

OPINION AND ORDER
FILED SEPTEMBER 9, 1974

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

MOORE BUSINESS FORMS, INC.
900 Buffalo Avenue
Niagara Falls, New York 14302

-vs-

Civ-1972-47

MINNESOTA MINING AND MANUFACTURING
COMPANY
3389 Harlem Road
Cheektowaga, New York

SIR: Take notice of an ORDER, of which the within is a copy, duly granted in the within entitled action on the 9th day of September, 1974, and entered in the Office of the Clerk of the United States District Court, Western District of New York, on the 9th day of September, 1974.

Dated: Buffalo, New York
September 9, 1974

JOHN K. ADAMS, Clerk
U.S. District Court
U.S. Courthouse
Buffalo, New York 14202

Watson, Cole, Grindle & Watson
TO: Cohen, Swados, Wright, Hanifin & Bradford

Attorney for Plaintiff

Alexander, Sell, Steldt & Delahunt
TO: Raichle, Banning, Weiss & Halpern

Attorney for Defendant

FEDERAL RULES OF CIVIL PROCEDURE 77 (d)

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

MOORE BUSINESS FORMS, INC.

900 Buffalo Avenue

Niagara Falls, New York 14302,
Plaintiff

-vs-

Civil 1972-47

MINNESOTA MINING AND
MANUFACTURING COMPANY

3389 Harlem Road

Cheektowaga, New York,

Defendant

* * *

[Appearances]

* * *

On July 2, 1974, the court filed a decision granting defendant's motion for a partial summary judgment and, pursuant to that order, the Clerk entered a partial judgment granting that relief. On the 13th of July, 1974, the plaintiff filed a motion pursuant to Section 59(e) of the Federal Rules of Civil Procedure, seeking to amend the judgment and, in the alternative, for a certification pursuant to Title 28, United States Code, Section 1292 (b). Because motions pursuant to Section 59(e) must be served within ten days of the entry of judgment, plaintiff's motion under that section was not timely filed. Furthermore, from the motion papers and the memoranda filed in support of it, it appears that the plaintiff seeks mainly to reargue the matters taken up on the original motion for partial summary judgment. The court will adhere to its original decision and, therefore, the motion of the plaintiff to amend is denied.

Because this is not a case where there is a controlling question of law to be determined, or in which an immediate appeal may materially advance the ultimate termination of the present litigation, plaintiff's motion for a certification pursuant to Title 28, United States Code, Section 1292(b) is denied.

So ordered.

/s/ John T. Curtin

JOHN T. CURTIN

United States District Judge

Dated: September 9, 1974

**STIPULATION AND ORDER
FILED OCTOBER 15, 1974**

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK**

MOORE BUSINESS FORMS, INC.,

Plaintiff

vs.

Civil Action No.

**MINNESOTA MINING AND
MANUFACTURING COMPANY,**

1972-47

Defendant.

STIPULATION

WHEREAS, partial summary judgment was entered herein on July 2, 1974, declaring that 3M Brand Carbonless Paper, Type 200, does not infringe plaintiff's U.S. Patent No, 3,016,308 in suit; and

WHEREAS, the only other product charged with infringement is defendant's 3M Brand Microcapsules referred to in this litigation as "cosmetic capsules"; and

WHEREAS, plaintiff having brought on for hearing its motion that the Court augment the aforesaid summary judgment entered July 2, 1974, to hold that said cosmetic capsules also do not infringe plaintiff's patent in suit; and then having withdrawn said motion; it is

STIPULATED AND AGREED that subject to the approval of the Court, plaintiff's charge that defendant's said cosmetic capsules infringe said patent be, and the same is hereby, withdrawn and discontinued without prejudice; and it is further

STIPULATED AND AGREED that upon the filing of this stipulation with the Court's approval, final judgment may be entered herein in the form annexed hereto dismissing the complaint herein with costs (if any) and disbursements (if any) and allowable attorney's fees (if any) to be made in a supplemental judgment; and it is further

STIPULATED AND AGREED that plaintiff's withdrawal and discontinuance of its charge relating to defendant's said cosmetic capsules shall become with prejudice only upon the happening of either of the following events: (1) no appeal from said judgment is filed within 30 days from entry of said judgment, or (2) said judgment is finally affirmed by the United States Court of Appeals for the Second Circuit; and it is further

STIPULATED AND AGREED that the plaintiff waives any and all damages that it may claim or which it may have incurred to the date of filing of this stipulation by reason of the manufacture, use or sale by the defendant of the defendant's said cosmetic capsules.

Dated: Buffalo, New York
October 4, 1974

COHEN, SWADOS, WRIGHT,
HANIFIN & BRADFORD

By: /s/ David T.M. Murphy

A Member of the Firm
Attorneys for Plaintiff
256 Third Street
Niagara Falls, New York 14303

RAICHLE, BANNING, WEISS &
HALPERN

By: /s/ R. William Stephens

SO ORDERED:
John T. Curtin

U.S.D.J.

A Member of the Firm
Attorneys for Defendant
10 Lafayette Square
Buffalo, New York 14203

**FINAL JUDGMENT
FILED OCTOBER 15, 1974**

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK**

MOORE BUSINESS FORMS, INC.

-vs-

Civ-1972-47

**MINNESOTA MINING AND
MANUFACTURING COMPANY**

SIR: Take notice of an ORDER, of which the within is a copy, duly granted in the within entitled action on the 15th day of October, 1974, and entered in the Office of the Clerk of the United States District Court, Western District of New York, on the 15th day of October, 1974.

Dated: Buffalo, New York
October 15, 1974

JOHN K. ADAMS, Clerk
U.S. District Court
U.S. Courthouse
Buffalo, New York 14202

TO: Cohen, Swados, Wright, Hanifin & Bradford
Attorney for Plaintiff

TO: Raichle, Banning, Weiss & Halpern
Attorney for Defendant

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

MOORE BUSINESS FORMS, INC.,
Plaintiff

vs.

Civil Action No
1972-47

MINNESOTA MINING AND
MANUFACTURING COMPANY,
Defendant.

FINAL JUDGMENT

WHEREAS, partial summary judgment was entered herein on July 2, 1974, declaring that 3M Brand Carbonless Paper, Type 200, does not infringe plaintiff's U.S. Patent No, 3,016,308 in suit; and

WHEREAS, the only other product charged with infringement is the defendant's 3M Brand Microcapsules, referred to in this litigation as "cosmetic capsules"; and

WHEREAS, plaintiff having brought on for its motion that the Court augment the aforesaid judgment entered July 2, 1974 to hold that said capsules also do not infringe plaintiff's said patent in suit; having withdrawn said motion; and, by stipulation entered into by the parties dated October 4, 1974, having withdrawn and discontinued its charge that said cosmetic capsules infringe said patent;

ORDERED, ADJUDGED AND DECREED that the complaint herein be, and the same is hereby, dismissed with costs (if any) and disbursements (if any) and allow-

able attorney's fees (if any) to be made in a supplemental judgment.

Dated: Buffalo, New York
October 15, 1974

/s/ John T. Curtin
U.S.D.J.

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

Moore Business Forms, Inc.

Plaintiff

v.

Civil Action No.
1972-47

Minnesota Mining and
Manufacturing Company,

Defendant.

NOTICE OF APPEAL

Notice is hereby given that Moore Business Forms, Inc., plaintiff above named, hereby appeals to the United States Court of Appeals for the Second Circuit from the final judgment entered in this action on October 15, 1974.

October 16, 1974

COHEN, SWADOS, WRIGHT,
HANIFIN & BRADFORD

By /s/David T.M. Murphy

A Member of the Firm
Attorneys for Plaintiff
70 Niagara Street
Buffalo, New York 14202
856-4600

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK

MOORE BUSINESS FORMS, INC.,

Plaintiff

v.

CIVIL ACTION NO.

CIV. 1972-47

MINNESOTA MINING AND
MANUFACTURING COMPANY,

Defendant.

**PLAINTIFF'S MOTION TO CORRECT OR MODIFY
RECORD UNDER RULE 10(e), F.R.A.P.**

Plaintiff, Moore Business Forms, Inc., respectfully moves that this Court add to the record on appeal forwarded to the United States Court of Appeals for the Second Circuit the three Green patents that were cited against the Macaulay patent in suit during prosecution thereof in the U.S. Patent Office, viz., U.S. Patents Nos. 2,712,507, 2,800,457, and 2,800,458, copies of which are annexed hereto as Exhibits 1, 2, and 3.

The basis of this motion is that the said Green patents are referred to in at least eight separate documents filed in this action, including the Decision and Order appealed from, and are an integral and vital part of this Court's decision on summary judgment.

/s/ Thomas J. Hanifin, Jr.

COHEN, SWADOS, WRIGHT,
HANIFIN & BRADFORD

Thomas J. Hanifin, Jr.
David T.M. Murphy
70 Niagara Street
Buffalo, New York 14202
(716) - 856-4600
Attorneys for Plaintiff

WATSON, COLE, GRINDLE & WATSON

Walter D. Ames
James H. Marsh, Jr.
1909 K Street, N.W.
Washington, D.C. 20006
Of Counsel for Plaintiff

[While the three Green patents were attached to the foregoing motion, they are not duplicated here. Those three patents are included in the Exhibits to Joint Appendix at Tabs C, D and E.]

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

MOORE BUSINESS FORMS, INC.,
Plaintiff,

vs.

MINNESOTA MINING AND
MANUFACTURING COMPANY,

Civil Action
No. 1972-47

Defendant.

**DEFENDANT'S OPPOSITION TO PLAINTIFF'S
MOTION TO ENLARGE THE RECORD ON APPEAL
FILED UNDER F.R.A.P. RULE 10(e)**

* * *

The "record" referred to is obviously the "record on appeal" which, as provided in F.R.A.P. Rule 10(a), shall be the "original papers and exhibits *filed* in the district court, the transcript of proceedings . . .", etc. Although plaintiff Moore now wishes the 3 Green patents had been among the "original papers and exhibits filed in the district courts", there can be no doubt that they were not. Because defendant 3M regarded them as unnecessary, and because plaintiff Moore for whatever reason did not include them in the myriad of opportunities given it to make a record, the court reached its judgment without the patent documents as such.

* * *

Plaintiff Moore was given opportunity time after time to make its record. Moore offers no explanation whatsoever as to why the Green patent documents as such

were not included by it as part of its opposition to the motion. Moore only says, now that judgment has gone against it, that the "Green patents were indispensable". If so, why did not Moore itself include them?

In point of fact, the Green patent documents *as such* are not indispensable to the determination of file wrapper estoppel. They were not, as Moore says, "incorporated by reference" in the file wrapper of the Macaulay patent. They are referred to, and are therein characterized. The teaching thereof is also characterized in the Macaulay patent in suit. So far as necessary to this proceeding, the pertinent disclosure of the Green patents is thus amply present by way of the characterizations in the Macaulay patent and in the file wrapper. Contrary to Moore's statement, this is what 3M referred to in supporting its motion for summary judgment, and also what the court referred to.

While 3M would not have cared had Moore offered the 3 patent documents as such, inasmuch as they would serve only to confirm that already present — which in this sense renders them cumulative at best — 3M saw no need to add them. Apparently neither did Moore. And while consistent with the opinion and judgment rendered by this court, the Green patent documents as such are by no means essential to it.

* * *

Respectfully,

RAICHLE, BANNING, WEISS &
HALPERN

Bv: /s/ Frank G. Raichle

A Member of the Firm
Attorneys for Defendant
10 Lafayette Square
Buffalo, New York 14203

EXCERPTS FROM TRANSCRIPT OF PROCEEDINGS
OF DECEMBER 23, 1974

* * *

[2] THE COURT: Let me ask you this, Mr. Halpern, I think it is certainly clear that in my decision we discussed the Green Patent[s] as they were discussed in the Macaulay Patent.

MR. HALPERN: That's correct.

THE COURT: That in the briefs that the parties submitted to me and in the affidavits that there were references to the Green Patent[s] as discussed in the Macaulay Patent.

MR. HALPERN: The file wrapper and depositions, that's correct.

THE COURT: Let me ask you this; as I understand it, and I haven't had an opportunity to check back through all the briefs and the affidavits that were filed here but as I understand it the patent, the Green Patent [3] itself or the Green Patents were not attached and made an exhibit anywhere.

MR. HALPERN: That's correct.

THE COURT: Is that correct, Mr. Ames?

MR. AMES: We have no knowledge either way.

THE COURT: You were the lawyer in the lawsuit. Was it stamped anywhere, marked as Exhibit G or something like that?

MR. AMES: No, it was not, your Honor.

THE COURT: I certainly agree with one point that is made here that the present, — the attachment made in many parts of it is illegible, you know, this copy was not a good copy.

MR. HALPERN: That is obviously not our point.

THE COURT: The Court of Appeals wants to take a

look at the Green Patent, they will take a look at the Green Patent, I suppose, — right. They may say “we need it”.

MR. HALPERN: Our position —

THE COURT: Why shouldn't it be part of the record since there was such an extensive advertance[sic] to it?

MR. HALPERN: Let me see if I can just state it very briefly, your Honor. We don't dispute [4] that there was reference to it. We referred to it once in our brief. Your Honor, I say we referred to it. We referred to the characterization of it by the examiner which we feel for our purposes was sufficient. Your Honor referred to [it] again in his decision at page 16 as to the Patent Office Examiner's characterization of it and that was the whole point before your Honor in the whole litigation is not what the Green Patent itself said but how it was characterized both by Mr. Macaulay during his deposition, by the Patent Examiner in the file wrapper and for whatever reason, we don't claim there is any difference in substance between what the patent said and what both sides claim from it but we do claim why we are here, your Honor, Mr. Ames has made this motion, concededly no affidavit has been submitted to your Honor and I can represent, I think, — and I know I was at every proceeding and saw every paper submitted, — we are counsel of record, — the Green Patent was not [5] submitted to your Honor, is not part of the file, is not part of record and I think for us to be requested to stipulate it or for your Honor to order it added to a record which was not before your Honor as far as Mr. Ames concedes and as far as we know is not the record. Let me give the simple example. It is the railroad crossing accident. The case goes to the jury or to the court and summary judgment is granted. Now, the disappointed litigant says, “well,

had I offered something else the result might have been different or at least would have been taken into consideration", but I think in the papers we received this morning it is pretty clear that the motion ought to be denied.

THE COURT: Did you receive, — were there some more papers?

MR. HALPERN: I received this morning a plaintiff's reply and, your Honor, I think the third paragraph on the first page sums it up, the burden is on the moving party. Moore surmises that the three Green Patents were handed up to the court. Now, no such thing [6] will pass muster. They weren't handed up to the court, and then it says admittedly no counsel can recall that the patents were not handed up. Now, no one is willing on the side of the plaintiff to put an affidavit in and say it was part of the record.

* * *

THE COURT: To make a point, — maybe a newspaper article and so forth, but this case, and I think it is clear to you and Mr. Halpern that as far as a decision in the case the Court had to leave the court room [7] and go to the papers and doggedly go through all of the exhibits which were on file here and that is what I based my decision on. In this situation here the importance of the Green Patent was not the patents themselves as I recall but how the examiner considered them when he considered the application of Macauley and it seemed to me that if the Green patents themselves were important for the Court to understand and to have in hand that, number one, they would have been marked as exhibits; two, there would have been written argument about how the Green Patents themselves fit into the picture. That, as I recall, was not the way it was done.

I mean the argument was about, — and quite extensively, — about how the examiner and about how they went on this appeals process in the patent examination office and how they were then, — but this all had to do not with the Green Patents themselves but with the discussion of the other applications. Is that what the situation was?

[8] MR. AMES: Well, I personally, your Honor, have no recollection of whether the Green Patents were ever handed up or were not. When this motion to augment the record on appeal was initially made Moore had surmised that your Honor had referred to the Green Patents per se in reaching your decision. If that is not the case and Mr. Halpern seems quite decisive on that point then —

THE COURT: Whatever is written is written and I am not going to further explain it, Mr. Ames.

MR. AMES: All right.

THE COURT: I had enough trouble explaining it in the first place and I am not going to try to do it again.

* * *

[11] THE COURT: I think, Mr. Ames, in the ordinary case I would say, "well, you might as well make it", and this happens a lot when mistakes are made, — you know, somebody thinks an exhibit is in evidence and they aren't, and then we take care of it appears to me, — now, the Court of Appeals, no question about this, has a lot more experience than this court does in patent work and I think that under the circumstances that the thing, — we have gone on so far that this, these Green Patents, and you had more than adequate opportunity if they were important for your lawsuit to have them

filed as an exhibit. You are most thorough and most meticulous and I believe that since now the case, it has gone as far as the record is down there on appeal that if in the wisdom of the Second Circuit these Green Patents ought to be made part of the record you can make your application there. I am going to deny it here because I think that rather [12] than have this followed by motions to reopen that —

MR. AMES: Okay, fine.

THE COURT: Mr. Ames, you can make it there.

* * *

ORDER OF DECEMBER 23, 1974

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

MOORE BUSINESS FORMS, INC.,

Plaintiff,

vs.

Civil No. 1972-47

MINNESOTA MINING AND
MANUFACTURING COMPANY,

Defendant.

ORDER

A motion having been made by the plaintiff for an order to add to the record on appeal herein the three Green patents that were cited against the Macaulay patent in suit during prosecution thereof in the U.S. Patent Office, viz., U.S. Patents Nos. 2,712,507, 2,800,457 and 2,800,458, and said motion having come on to be heard on December 23, 1974,

NOW, on reading the notice of motion, the motion and the memorandum in support of the motion, all served December 16, 1974 and plaintiff's reply memorandum served December 20, 1974 in support of said motion and the defendant's memorandum dated December 19, 1974 in opposition thereto and after hearing Cohen, Swados, Wright, Hanifin & Bradford (Walter D. Ames, of counsel), attorneys for the plaintiff in support of said motion and Raichle, Banning, Weiss & Halpern (Ralph L. Halpern, of counsel), attorneys for defendant

in opposition thereto, and neither party having submitted the said Green patent documents as such, although ample opportunity was afforded therefor, it is

ORDERED, that said motion be, and the same hereby is, denied in all respects.

Dated: Buffalo, New York

December 23, 1974

/s/ John T. Curtin

U.S.D.J.
